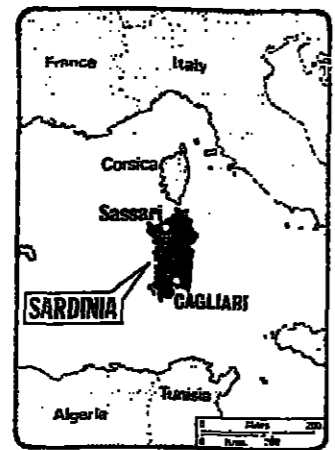


EUROPEAN NEWS

Rupert Cornwell in Rome examines the alarming growth of a traditional 'industry' Kidnapping—the peculiarly Italian crime

THE PERSONAL ANGUISH of Mr. Rolf Schild, the British businessman whose efforts to rescue his kidnapped wife and daughter in Sardinia have now come to naught, is beyond imagination. Yet it is one shared by the close relatives of as many as 50 or 60 people each year who are kidnapped for ransom in Italy.



Mr. Rolf Schild: "I can do no more"

The helpless Mr. Schild, who is 55, announced on Monday that he could do no more to secure the release of his wife, Daphne, and his 15-year-old daughter, Annabel. His decision follows an unhappy series of developments that began when the family was kidnapped on August 21, 12 weeks ago.

Mr. Schild was held captive for a fortnight before being freed to raise a £2m ransom. The kidnapers threatened to cut off the ears of their two hostages unless the demand was met quickly.

A month ago two Sardinian emissaries sent by Mr. Schild were beaten up by the kidnapers at a pre-arranged meeting in a remote spot in the island's central mountains. A down-payment of £12,500 was torn up and burned, and Mr. Schild was left to contemplate what he called the kidnapers' "irrationality, unprovoked violence and lack of serious intention to bargain".

Yet the plight of the Schilds, and of one of the other dozen or so people currently held by kidnapers, has actually become commonplace in Italy. News of their rarely strays from the crime pages, and the risk of being seized now embraces the ordinary rich as much as the very wealthy. Kidnapping is the peculiarly Italian crime, in its modern form reflecting that combination of primitiveness

and sophistication which marks Italian society. In some ways the Schild case was out of the ordinary. It was a rare instance of foreigners being involved and the first time that three people had been taken together. Indeed, a theory exists that the whole thing was a mistake—that the criminals confused "Rolf Schild" with "Rothschild." In Italy it is merely another depressing statistic.

Since 1960, when the present kidnaping phenomenon is reckoned to have begun, some 420 people have been kidnapped. Ransom paid may now exceed £160bn (£85m). The kidnaping rate is now more than one a week, and the blight has spread the length of Italy, from Sicily to the Swiss border.

Ransoms vary from a reputed record of around £30n to the more usual level of around £300,000. The final figure is invariably arrived at after complicated "negotiations" between representatives of the kidnapers and the kidnapped.

But even payment of the ransom does not always guarantee release. Such is the calculating brutality of the gangs that some find it more practical to murder the prisoner.

Between 1960 and 1977, 53 kidnap victims never came back. Sometimes their bodies were found, sometimes merely heard of them. The constant stream of seizures masks a change in the organisation of the kidnaping "industry," from the amateurishness of the early days to a professional structure, run as a business and carefully built up along "cell" lines to provide the greatest possible security for the people at the top.

The historical focal point of the kidnap industry in Sardinia. The practice extends deep into the island's traditional past, and has only been encouraged by the failure of Italian Government attempts to provide the island with decent economic and social progress.

Kidnaping has also been a Mafia speciality, especially in

Calabria, in the south. The authorities' efforts to exile Mafia to the north merely brought them near the tempting targets who abound in the country's rich industrial belt.

With 16 people kidnapped so far in 1979, Sardinia has the dubious distinction of leading Italy's kidnap league table. It is followed by Lombardy (the richest region which includes Milan), Lazio (the region around the capital), Calabria, Tuscany, and Piedmont (also in the wealthy north). The gangs that operate still tend to be dominated by Sardinians and Calabrians, but often employ local operatives.

The degree of collaboration between them is hard to estimate. But the Higher Magistrates' Council, in a special report on kidnaping earlier this year, noted a "substantial connection between most of the personal kidnapings in recent years."

This, according to the report, suggested "an unquantifiable number of semi-autonomous groups, variously linked and operating in the framework of a large structured organisation which, the magistrates believed, was a 'genuine multinational crime.'" Hence the so-called Anonima Sequestro or "Kidnaps Incorporated."

Even in places like Sardinia where a more rudimentary organisation might have been assumed, the picture that emerges is of highly professional units containing perhaps 25 or 30 people with the top man usually camouflaged behind the impeccable front of a building company, finance concern or transport business.

This respectability of course makes the crucial process of recycling ransom money much easier. Underneath the top man

stands a number of intermediaries including the ransom collector and, below him, the actual kidnapers, jailers, look-outs and so on.

According to recent trial evidence, the people who carry out the kidnap might receive as much as £26m (£15,000) each. After expenses the profit margin is estimated at around 50 per cent.

So far no co-ordinated anti-kidnap strategy has been evolved, and little has been done to keep pace with developments on the criminal side.

The authorities' task is complicated by the profound, inherent distrust of Italians for most aspects of the state. Relatives of the victims look to their family lawyer rather than the police to act as intermediary in dealing with kidnapers. In a country where tax evasion is the rule after all, it might be embarrassing to explain just how a supposedly middle-income victim managed to raise hundreds of thousands of pounds at the drop of a hat.

In any case the rich have long made their own arrangements, which in turn have wrought a noticeable change in Italian life. Demand for handbags, bullet-proof cars and bodyguards (known as gorilla) has soared. Rome alone boasts 22 private police forces.

The more prudent take out insurance policies, though not inside Italy, to enable themselves to meet a kidnap demand. This trend has been reinforced by the authorities, who have sometimes tried to freeze the assets of the victim's family to make payment impossible. In the north many wealthy people send their children to school in nearby Switzerland. Some actually live there themselves and commute to Milan.

W. German motorists cut down on petrol

By Guy Hawtin in Frankfurt

MOTORISTS IN West Germany have cut their petrol consumption in response to the oil shortages earlier this year and increased petrol prices. However, a hard winter and a rainy summer have also played an important role in restraining demand.

These are the conclusions reached by the West German oil industry association, after analysis of petrol consumption figures for the first 10 months of the year. The association's statistics show that consumption during the opening 10 months of last year was up by 5.9 per cent. The drastic decline in the rate of growth in petrol consumption came about despite a 6 per cent increase in the number of petrol driven vehicles on West German roads during the period under review. The association said that the decline was the result of "a reduction in the use of cars and also the greater use of fuel-saving driving methods."

While it appears that West Germans are driving with a greater eye on fuel economy than before, the association points out that weather conditions undoubtedly have played an important part in reducing demand. It remains to be seen whether they remain as energy conscious in 1980 is a good weather year.

This year has been a poor one for weather and, during the early months, northern Germany was blanketed in snow for far longer than usual. Figures for the first quarter seem to reflect this as petrol consumption was down 1.4 per cent on the opening three months of 1979 which were not quite so snowy.

In the second quarter, when the weather improved, fuel consumption rose 4.5 per cent—far lower than the growth in the number of cars on the road. In the third quarter, when an unusually high rainfall was recorded, consumption fell only 0.3 per cent. Fuel consumption in October, an unusually fine month, rose by 4.6 per cent.

France steps up aid to Third World

France is to increase aid next year to developing countries, mainly in Africa, under the 1980 Co-operation Ministry Budget voted by the National Assembly yesterday, Reuter reports from Paris.

The FF 4,019bn (£446m) is 16.7 per cent higher than this year.

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Labour asks Europe to resist UK immigration plans

BY ELINOR GOODMAN IN STRASBOURG

BRITISH LABOUR MPs at the European Parliament, who fought the direct election on the basis that they would resist any incursion by the Parliament into the affairs of Westminster, yesterday tried to mobilise the support of other MPs for their fight against immigration controls proposed by the British Government.

At the same time as calling for an emergency debate on the Government's immigration plans, some of the Labour delegation were also measuring support for a motion condemning proposed cuts to the BBC's World Service.

Both subjects, the Labour MPs argue, had implications outside Britain and had to be seen not only in the context of British law but also within the framework of the European Convention on Human Rights. Raising the subject at Strasbourg, they said, was consistent with Labour's strategy of mobilising opinion against the Conservative Government.

In spite of the backing of other socialists in the Parli-

Swiss unemployment up

BY JOHN WICKS IN ZURICH

SWISS UNEMPLOYMENT rose last month by 1.3 per cent to 7.801. However, the figure is 15.8 per cent below October last year, and represents only 0.3 per cent of the labour force.

At the same time, the number of situations vacant at labour exchanges rose to more than 10,000 for the first time. In fact, there are considerably more vacancies than this figure indicates.

In another development, Mr. Fritz Hoeniger, the Swiss Minister for Economic Affairs, said that Iraq is prepared to deliver oil directly to Switzerland as long as it is sold exclusively on the Swiss market.

The Minister, who has just returned from Baghdad, said the main problem in trade relations between the two countries was the lack of balance. While Switzerland sold goods worth SwFr 220.5m (\$61m) to Iraq last year, its imports from Iraq amounted to only some SwFr 200,000 (\$56,000).

The Iraqi authorities are interested in training specialist staff in Switzerland and also in an undefined "number of projects" involving Swiss companies.

Dutch unions' pay goal

AMSTERDAM—The Netherlands' largest labour confederation, the Federatie Nederlandse Vakbeweging (FNV) said yesterday that it will be looking for a real wage increase of 2 per cent next year and some progress towards the goal of shortening working hours.

To be consistent with European trade union policy, working hours could be trimmed gradually by about 10 per cent over four years. A beginning should be made in 1980, the FNV said. This could be achieved in any number of ways, such as through a shorter working day or working week, early retirement, and longer holidays. AP-DJ

Court backs Sarcinelli

ROME—An appeal court judge has issued a ruling in favour of Sig. Mario Sarcinelli, deputy director-general of the Bank of Italy, dismissing accusations by a Rome magistrate under which Sig. Sarcinelli was briefly imprisoned last March, legal officials said.

The judge ruled that the magistrate's accusations against Sig. Sarcinelli had no legal foundation.

The officials said this marked a first victory in defence moves to rebut attacks against senior figures at the central bank. These attacks earlier this autumn were

a factor in the decision by Dr. Paolo Baffi, the bank's governor, to retire early.

Sig. Sarcinelli was arrested and briefly imprisoned on March 24, after a Rome magistrate accused him of using his public office to pursue personal ends. It was claimed that he withheld information relevant to a judicial investigation into Government-subsidised loans granted to the SIR chemicals group.

Similar accusations were also made against Dr. Baffi. Both men firmly denied them.

Interest rates adjusted in Belgium

BRUSSELS—The interest rate on three-month Treasury and on four-month Pension Fund Certificates have been raised slightly to 14.25 per cent from 14.20 per cent.

The rate for six-month certificates has been lifted to 14 per cent from 12.75 per cent where it has been unchanged since October 9, and the nine-month certificate rate increased to 13.50 per cent from 11 per cent, a level unchanged since September 11. Reuter

Pollution pact approved

GENEVA—East and West Europe, the United States and Canada yesterday approved a convention to combat air pollution across state borders, to cut use of raw materials in industry and to promote low-waste technology.

In the first ministerial meeting on the environment ever held under the auspices of the United Nations Economic Commission for Europe, the 34 ECCE members, minus Albania, pledged to limit all forms of air pollution.

Olof Johansson of Sweden, conference chairman, and Bruno Straub of Hungary, vice-chairman, immediately signed the convention on behalf of their governments, opening the way for signature by other nations.

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Advertisement for DAN-AIR scheduled routes from London (Gatwick). Lists routes to Aberdeen, Berne, Bergen, Clermont-Ferrand, Cork, Dijon, Isle of Man, Jersey, Kristiansand, Montpellier, Munich, Newcastle, Perpignan, Shannon, Strasbourg, and Toulouse. Includes flight frequencies and dates.

Advertisement for Zurich Badische Kommunale Landesbank. Promotes international finance services, including currency exchange and trade finance. Contact information for the bank in Zurich is provided.

Advertisement for UNICEF. Urges donations to help children in Cambodia. Includes the slogan 'PLEASE HELP UNICEF' and contact details for the UNICEF UK Committee in London.

NATO pressure on Dutch to back missiles

By REGINALD DALE IN THE HAGUE

THE DUTCH Government yesterday came under strong pressure from its allies in the North Atlantic Treaty Organisation (NATO) to fall in with plans to base in Western Europe a new generation of nuclear missiles aimed at the Soviet Union. Dutch reservations about the plan are threatening to cause serious strains inside the alliance.

Mr. Francis Pym, Britain's Defence Minister, was among the strongest in urging the Netherlands to agree to the plan, on which most NATO countries want to take a firm decision at their winter ministerial meeting in Brussels next month.

As Defence Ministers from 11 countries began a two-day meeting of the alliance nuclear planning group here, the Dutch were virtually alone in trying to tie a series of strings to the scheme to modernise NATO's so-called long-range "theatre" nuclear forces. The Dutch Government faces serious Parliamentary opposition to the move, which would involve basing 572 U.S. Cruise and Pershing 2 missiles in the UK, West Germany, Italy, Belgium and the Netherlands.

According to figures confirmed here yesterday, the UK would take 160 ground-launched Cruise missiles, the pilotless, ground-hugging aircraft that could strike military targets well beyond Moscow from British bases. Italy would take 112, West Germany 96 and Belgium and the Netherlands 48 each. U.S. forces in West Germany would replace their shorter range Pershing 1 ballistic missiles with longer range Pershing 2s.

British and U.S. officials both express confidence that NATO Defence and Foreign Ministers will finally agree to the plan when they meet in Brussels in the week beginning December 10. The decision to modernise NATO's nuclear forces would be accompanied by an offer to push ahead with further East-West arms control negotiations with the Soviet Union.

Recent parliamentary debates in The Hague have left the Dutch Government's position confused. Mr. Willem Scholten, the Defence Minister, said his

PLO denies role in Lisbon shooting

By Jimmy Burns in Lisbon

PORTUGAL, ISRAEL and the Palestine Liberation Organisation yesterday moved swiftly to avoid a serious diplomatic row following the attempted assassination here of Mr. Ephraim Eldor, Israel's ambassador to Portugal. Mr. Eldor was wounded and his household guard was shot dead by unnamed assailants in a machine-gun and grenade attack in central Lisbon yesterday morning.

The incident immediately threatened to upset not only Portuguese-Israeli relations but also the delicate diplomatic offensive conducted by Mr. Yasser Arafat, the PLO leader, to achieve international recognition for his organisation.

The attack came only a week after Mr. Arafat was warmly received here at an international conference by the Portuguese Government and President Antonio Ramalho Eanes.

The PLO representative office in Madrid issued a statement here yesterday pledging that the organisation was "in no way responsible" for the attack on Mr. Eldor. The incident, it said, was aimed at upsetting "the political and diplomatic victories achieved in Lisbon" during Mr. Arafat's visit.

The Portuguese Government condemned the "cowardly attack" against Mr. Eldor and pledged a vigorous police hunt for the assassins.

Yesterday afternoon, the Israeli embassy expressed regret at the death of Mr. Eldor's Portuguese bodyguard and praised the action of Portuguese security forces. The carefully worded statement contrasted with earlier Israeli protests suggesting that the attack had stemmed from Portugal's current co-operation with the PLO.

The attack on Mr. Eldor, however, has underlined the lack of security against terrorist attacks in Portugal. Despite growing evidence that the country is being used as a rest stop or hiding place by terrorists, there is no Portuguese anti-terrorist squad.

West German diplomatic officials here are leading exponents of this theory and have consequently mounted their own high security precautions at their embassy.

Richard Johns analyses Western Europe's shifting attitudes towards the PLO

Diplomacy brings large Palestinian gains



Chancellor Bruno Kreisky of Austria honours for PLO leader

THE SEIZURE by Moslem students of American diplomats at the U.S. Embassy in Tehran presented the Palestine Liberation Organisation (PLO) with an opportunity which it has apparently failed fully to exploit.

A successful attempt by the guerrilla organisation to mediate on behalf of the U.S. and secure the release of the hostages would have been a major propaganda coup for the PLO in its efforts to influence world opinion and win wider recognition.

Characteristically the PLO grasped at the opportunity with both hands. But its efforts have proved unsuccessful so far, not because the U.S. Administration refused the PLO's offer—it did not—but because of an apparent rebuff by the students occupying the Tehran embassy.

It is now almost exactly five years since Mr. Yasser Arafat, Chairman of the PLO, appeared at the UN General Assembly. He won for the umbrella organisation the recognition of nearly the whole of the Third World.

But its attempts to win formal recognition from the U.S. and West European countries have foundered largely upon its refusal to accept UN Resolution 242, the basic and generally accepted framework for a Middle East peace settlement which speaks only of the Palestinians as "refugees," or to acknowledge Israel's right to exist.

The PLO has nevertheless persevered with trying to win for itself greater formal acceptance, and Mr. Arafat has billed 1980 as "the year of the Palestine state." This does not mean he expects one to materialise next year, but that both West Europe and the U.S. will move closer to recognising the PLO, and a step nearer the dream.

The PLO was clearly bolstered by the impact of the resignation of Mr. Andy Young as U.S. Ambassador to the UN after his unauthorised contacts with the movement's representatives in New York.

The guerrillas still hope for progress on relations with the U.S. But most Palestinians still think in terms of threatening American interests in the Arab world as a means of pressure. Another line of approach is to encourage West European countries to pursue an independent Middle East policy using the Arab oil producers as an additional lever.

The PLO has scored enough diplomatic successes in Western Europe recently to make Israel acutely apprehensive:

- Towards the end of August Dr. Bruno Kreisky, the Austrian Chancellor, received Mr. Arafat with the honours usually accorded to a head of state. They were joined by Mr. Willy Brandt, the former West German Chancellor, which provoked a furious response from Israel.
- Three weeks later the PLO Chairman was greeted in Spain by Mr. Adolfo Suarez, the Spanish Premier, during a visit that only just fell short of official and given the use of his personal car on which flew the Palestinian flag.
- In Lisbon two weeks ago Mr. Arafat was granted a long audience by President Ramalho Eanes of Portugal and feted by the country's political leadership.
- Less dramatic but equally important was the statement of Mr. Michael O'Kennedy, the Irish Foreign Minister, on behalf of the EEC before the UN General Assembly in September. It was the first to make specific reference to the PLO, and talked of "the Palestinian people who are entitled within the framework set by a peace settlement to exercise their rights to determine their own future as a people."

ignores the growing conviction in Europe that there can be no effective and enduring Middle East settlement without the Palestinians — and that effectively means the PLO.

A second, related factor has been the PLO's own campaign to achieve respectability. Mr. Arafat no doubt sees the benefits of using a "carrot and stick" approach, but the PLO formally renounced acts of violence in neutral countries long ago. These for the most part have been the work of fringe groups.

A direct bonus, to take one example, was to be seen in the lifting of the siege of the Egyptian Embassy in Ankara following PLO mediation. The Turkish Government granted the organisation permission to open an office there.

Conversely the present British Government's obsession with the PLO's alleged connections with the IRA have been a considerable irritant. The PLO denies the allegation, and the UK, as a result, is currently bracketed with Holland as the least sympathetic member of the EEC.

Equally important in this process of Western Powers edging towards formal acceptance of the PLO has been general disillusionment with Israel and the deterioration of its image, especially since Mr. Menahem Begin's Government came to power. Patently damaging in this respect has been the exposure of Israel's effective annexation of the West Bank through the establishment of settlements, and its indiscriminate policy of retaliation in southern Lebanon.

The manner in which Israel has pressed ahead with the settlements has been roundly condemned. In June the EEC Foreign Ministers described the takeovers as a contravention of international law. Israel's action in Lebanon has also been

directly responsible for a clear shift in favour of the Palestinian cause in the Netherlands and Norway, two countries traditionally most untricial in their support of Israel.

In the last resort, however, oil must be the weightiest element behind the pronounced West European shift. Spain's reception of Mr. Arafat was almost certainly part of the cold calculation to ensure that it receives oil and gas supplies. Spain remains the only European country without relations with Israel.

There followed ministerial visits to Libya, which is expected to restore a 20 per cent cut-back decreed earlier this year, and to Iraq, which has undertaken to make extra crude available if possible. Portugal, too, regarded Mr. Arafat's visit to Lisbon as a major breakthrough in its attempts to secure oil supplies.

Bonn is adamant that petroleum does not affect its view. However, it appeared to be the main motivation behind Herr Genscher's two Middle East tours this year, while Chancellor Schmidt has yet to respond to Israeli invitations by going there.

France, together with Kuwait, has been in the forefront of moves to resurrect the Euro-Arab dialogue, although there remains no common EEC stance on the question of the PLO. The laborious process of trying to reach one has had to take place through the machinery, not provided for in the Treaty of Rome, of political co-operation. Britain, for one, has taken cover behind the EEC convention to avoid any initiative of its own, incurring Arab criticism in doing so. The U.S. and Israel are meanwhile growing more concerned about West European countries individually seeking to improve relations with Arab oil producers by edging closer to recognition of the PLO.

Irish face power strike

By STEWART DALBY IN DUBLIN

IRELAND faces the prospect of a strike by power-workers in the state-owned Electricity Supply Board (ESB). It would come on top of the continuing Dublin port strike, where talks aimed at breaking the deadlock were taking place last night.

The stoppage in Dublin's docks, estimated to be costing the economy five million a day in delayed imports and exports, has gone before the Labour Court.

It involves 500 deep-sea dockers who are members of the Marine Port and General Workers Union (MPGWU). They are seeking a rise of £25 a week above basic pay, at a present between £50 and £60 a week.

The Electricity Supply Board strike involves workers at the Poolbeg plant, near Dublin, a 370mw station which supplies 10 per cent of Ireland's electricity. Technicians at the power-station are seeking better work conditions.

But it is believed the threatened strike will not close down the country.

Hope on German inflation

By OUR FRANKFURT CORRESPONDENT

THE INFLATION rate in West Germany—at present running at 5.7 per cent a year—should soon pass its peak, it is provided that forthcoming round of national wage negotiations are concluded on an acceptable level. Dr. Hans Friderichs, chairman of Dresdner Bank, and a former Federal Economics Minister, said in Frankfurt yesterday.

A falling inflation rate would give the Bundesbank, the West German central bank, some opportunity to relax its present tight monetary policies, as it had already met its goals in controlling the money supply, he added.

The present wave of price increases would not be as great as that experienced in 1973-74, when all sections of the economy were going through a boom.

Dr. Friderichs was cautiously optimistic about the level of industrial activity next year. He believed a recession was not in sight, and that growth in certain sectors, such as consumer goods, motor cars, building and exports, was likely to be slower.

European MPs refuse request to approve extra farm cash

By ELINOR GOODMAN IN STRASBOURG

THE EUROPEAN Parliament yesterday decided to keep the Council of Ministers in suspense over the extra funds the Community needs to pay its farm bills for the rest of this year.

It voted against a request from the Council to make time this week for a special vote approving the release of a further £530m for expenditure on buying up surplus farm products this year.

As a result, the vote will not be taken until Parliament meets in December.

By then, the money allocated for spending on intervention in some countries will have been completely exhausted. In Ireland, funds are already running dry.

Parliament is expected to approve the supplementary budget next month after venting its indignation about mounting farm spending. But the delay could cause serious administrative problems. It also raises issues of considerable constitutional significance for the Community.

To fulfill the Community's obligations to farmers, some countries will either have to use their own money to buy up surplus products, or the Commis-

Kidnap poses problems for Basque parties

THE KIDNAPPING of Sr. Javier Ruperez, a prominent Spanish MP, by the Basque Separatist Organisation ETA, has thrown into doubt the role of the political parties supporting the organisation.

Sr. Ruperez was kidnapped on Sunday and has been claimed by the political-military wing of ETA which is supported by the Basque party Euzkadi Ekerra.

However, Sr. Juan Maria Bandres, the party's leader, has called for Sr. Ruperez's release, pointing out that in 1976 Sr. Ruperez had intervened when Sr. Bandres was detained by the authorities.

Sr. Bandres is believed to have been an intermediary on previous occasions between the Government and the political-military wing of ETA.

The Press yesterday focused attention on the plight of Sr. Bandres and his party, calling on them to account for themselves. The party is in an embarrassing situation since along with the political-military wing of ETA—it supported the autonomy statute for the Basque region.

ridiculous for the new Parliament to be seen to acquiesce to a request for a supplementary budget on agricultural spending the moment it was asked.

The committee's strategy was to keep the Council of Ministers waiting until after it has given its verdict on Parliament's proposals for 1980. But yesterday, the Liberal group put down a motion urging MPs to treat the 1979 supplementary budget as a matter of urgency. Despite the support of the Christian Democrat group, the motion was lost.

Parliament will again venture on to new ground today when it tries to make its opinions felt on the long-term problem of Community finance. The budget committee has prepared a report, which will be put to the plenary session today, criticising the unfairness of the present budgetary system and in many ways supporting the British Government's case.

The British Tories successfully moved an amendment to the report yesterday, stressing the need for a short-term solution as well as the medium and longer term solutions advocated in other parts of the report.

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AMERICAN NEWS

U.S. likely to keep Rhodesia sanctions

BY DAVID BUCHAN IN WASHINGTON

PRESIDENT Jimmy Carter is likely to retain U.S. sanctions against Rhodesia...

gess passed an amendment this summer urging the U.S. to lift its boycott by November 15...

American voters in a presidential election year, is to extend the trade boycott.

U.S. officials see no direct link between the deadline set by Lord Carrington...

fore, pinning any hopes of an easy way out of its congressional dilemma.

But if there is some progress in the next 24 hours, it would serve to bolster Administration arguments...

The Administration is still looking to the UK to provide the lead on Rhodesia policy...

But, even without this option, the Administration feels that Congress, where there has been a majority in the Senate for lifting sanctions...

Oil price warning by Volcker

By Stewart Fleming in New York

MR. PAUL VOLCKER, the Federal Reserve Board chairman, said yesterday that the U.S. was not paying sufficient attention to the problems that would follow a further sharp increase in oil prices.

In a statement to the House of Representatives domestic monetary policy sub-committee, he said that the bigger the oil price increase, the greater the pressure on the inflation rate.

The behaviour of the oil markets in the coming months is a crucial determinant of the economy," he said.

Mr. Volcker noted the easing in the level of interest rates in the past week from the record highs which resulted from the Fed's actions of October 6 to combat inflation.

Mr. Volcker's comments will do little to encourage optimists on Wall Street who had hoped that the recent slowdown in the growth of U.S. money supply might result in an easing of the Fed's monetary policy.

Mississauga rail tanker fire extinguished

BY FREDERICK LANGAN IN TORONTO

THE FIRE in the propane rail tanker which caused the evacuation of 240,000 people from the town of Mississauga, near Toronto, has been extinguished.

But most of the residents of the area will have to stay away from their houses for at least one more night while crews drain poisonous chlorine gas from another derailed tanker.

The accident occurred on Saturday night when 24 cars were derailed in the industrial district of Mississauga. Nineteen of the cars were carrying propane gas, chlorine and other dangerous chemicals.

Federal and provincial politicians are to seek new regulations to govern the transport of dangerous materials, especially in heavily-populated areas.

Mr. William Stinson, Executive Vice-President of Canadian Pacific Rail, said yesterday that the accident could have been avoided if "hotbox detector" electronic sensors, which can detect an overheated wheel-bearing and relay a signal to have the train stopped, had been installed on the rail-line.

Canadian Pacific Rail had planned to put the heat sensors on that particular stretch of line in about 18 months.

The Canadian Transport Commission, a Federal Government agency, and the Government of the Province of Ontario are to hold inquiries into the accident.

The Federal inquiry will be more significant, however, as railways come under federal jurisdiction.

Mr. Donald Mazankowski, Federal Transport Minister, said the Conservative Government would introduce legislation within ten days to regulate the transport of dangerous material.

A Bill on that subject was already in hand but now the rules might be tightened.

Politicians in Ontario have criticised Federal regulations which allow rail cars carrying explosive propane gas to be coupled to tankers of chlorine.

Mr. Roy McMurtry, Ontario's Attorney-General, said it was difficult for police checking railway manifests to find out the order of the cars in the train.

Canadian Pacific has offered to pay out-of-pocket expenses such as the cost of hotel rooms and meals incurred by residents evacuated from the area of the accident.

But in doing so, it will ask for a signed waiver which would prevent further law suits against the railway.

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Camp results - Page 26

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Camp results - Page 26

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Camp results - Page 26

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Mr. Robert McNamara, the World Bank President

McNamara urges more Brazil aid

By Diana Smith in Brasilia

THE WORLD BANK is likely to step up technical and financial assistance to Brazil, according to Mr. Robert McNamara, the World Bank president.

Mr. McNamara has just completed a five-day tour of the country.

Unlike the usual itineraries arranged for prominent foreign guests, Mr. McNamara's route took in some of Brazil's grimmest urban slums, from north to south, and the impoverished northeast.

By showing Mr. McNamara the darkest side of Brazil, his hosts were apparently not only seeking funds to help correct some of the problems and reallocate income, but also attempting to dispel notions that Brazil is now a country in a "special stage of development,"

Mr. McNamara made it clear that he would recommend the World Bank to allocate "massive funds" for investment in the north-east as a priority.

Further funds would be available for projects the bank is already backing, like low-cost housing, water, sanitation and urban transport systems, he said.

Iranians ready to face full trade boycott

BY DAVID BUCHAN AND ANDREW WHITLEY

PRESIDENT JIMMY CARTER's order banning the import of oil from Iran leaves what was once a flourishing and important two-way trade very much a one-way affair.

Among U.S. exports, two items stand out: food and, paradoxically, refined oil products.

Despite vigorous attempts by the Islamic Republic to diversify its sources of food and animal grains, it is highly dependent on the American farmer.

Mr. Carter has chosen to ignore so far, but one Iranian is very aware of it.

In anticipation of a U.S. trade embargo, militant groups are poring Ayatollah Khomeini's orders, tightening their belts, declaring that the whole nation is prepared to go hungry rather than submit to economic pressures.

In the first eight months of this year, U.S. food sales to Iran amounted to \$250m in grain and rice, and \$94m in animal and vegetable oils.

Much of those shipments will have come in the latter half of the period, after Iran's ports had recovered from the effects of the revolution.

The figures in fact underestimate the full extent of the orders placed with the U.S. by Mr. Mehdi Bazargan's Government.

Iran's once self-sufficient agriculture is in disarray, and rising food prices and occasional shortages of staples are a very sensitive issue for any administration in Tehran.

Before the revolution, the U.S. was Iran's third-largest supplier, with a 15 per cent share of total imports into Iran.

An increasing proportion was primary produce, but heavy and light machinery were also important.

But, like its competitors, the U.S. share of trade has plummeted this year.

totalled only \$883m, compared with \$2.83m in the same period last year. By comparison, Britain sold some \$260m worth of goods up to this August.

If President Carter were to want to use an economic lever against Iran, taking the sale of heating oil he agreed to this August could be both effective and embarrassing for Tehran.

The amounts involved are small, 1.5m barrels worth approximately \$470, but it is a product much used in Iran during the cold winter, and is likely to be in short supply there in the coming months.

Iran also buys limited quantities of middle distillates, which its own refineries cannot produce enough of, from regional oil producers and some major oil companies, such as British Petroleum.

Any unilateral action by the U.S. Government would be effective only in the unlikely event that all other sellers agree to co-operate.

The U.S. has already suspended further deliveries of spare parts for weapons to the Tehran Government. About \$900m worth are believed to be awaiting delivery.

But, for the moment, the Carter Administration has ruled out a blanket export embargo, on the grounds that this could jeopardise the plight of the hostages in the Tehran Embassy.

Without U.S. arms supplies or spare parts for much of this year, according to U.S. officials, the Iranian armed forces are in bad shape. Many aircraft are too dangerous to fly, and many armoured vehicles have broken down.

Of the \$883m exports to Iran in the first eight months of 1979, nearly a third was machinery and transport equipment.

But, in most cases, except perhaps for some oil drilling and water pump equipment, Iran could easily turn to other sources.

Large advertisement for Standard Life insurance featuring cartoon characters and text about tax rebates.

VENEZUELA'S AUSTERITY MEASURES CAUSE UNREST

Unfamiliar inflation pains

BY KIM FUAD IN CARACAS

VENEZUELA, a traditional haven of stable prices in a continent accustomed to high inflation, may itself be on the verge of a damaging inflationary spiral.

The immediate cause is the removal of official price controls for the first time in 40 years. But its effect has been to provoke wage and salary demands which may well prove irresistible.

President Luis Herrera Campins' eight-month-old Social Christian administration has already been forced to concede the first round in its efforts to apply free-market principles to the country's oil-subsidised and import-dependent economy.

Following a politically-charged confrontation with organised labour, his Copei party has reversed its earlier threat to veto a bill calling for an average 30 per cent salary increase for the country's 4.3m-strong labour force.

The party is now negotiating a compromise version with other parties in the Opposition-dominated Congress. The salaries bill, sponsored by the Venezuelan Labour Confederation (CTV), is estimated to carry a price tag of more than \$4bn.

It was introduced in response to the sharp rise in prices that followed removal of price controls on 175 consumer items.

The lifting of controls was designed to spur domestic production and also help reduce imports, which now amount to \$11bn annually. But it also sparked an officially-measured 9.4 per cent rise in prices between August and October.

By comparison, prices rose only 7.2 per cent in the whole of 1978.

Businessmen applauded the new price incentives following five years of indifference by former President Carlos Andreas Perez to the damaging effects of rising production costs and falling profits.

Now they are appalled by the turn of events.

Fedecameras, Venezuela's largest private business organisation, warns that only a few of the larger corporations can absorb the CTV's demands and predicts that a number of small and medium companies will not survive.

The organisation is also lobbying for a softer version of the salaries bill, fearing that the government might return to price controls if it is faced with the political consequences.

Dr. Herrera has relentlessly assailed former President Perez and his Accion Democratica (AD) party since coming to power in March, accusing them of inefficiency and corruption.



Demonstrators and police clashed in Caracas recently in protests against the cost of living in Venezuela's turned violent

costing \$5m. Among those tear-gassed and truncheoned were Sr. Jose Vargas, CTV's president, who is a member of AD, along with several left-wing leaders.

With its slight voting edge in Congress, and its leadership role in the CTV, AD has been in the forefront of the drive to increase workers' wages and so turn the tables on Dr. Herrera.

When the Marxist Left, which holds the balance between AD and Copei in Congress, swung over to oppose Copei on the pay issue, Dr. Herrera opted for retreat and decided not to veto the proposed Bill.

Despite the setback, he is expected to press ahead with his efforts to bring austerity and economic discipline to Venezuela, which is spending beyond its oil-financed means, with a \$5.3bn current account deficit and a \$16.2bn public debt.

Even those in Dr. Herrera's cabinet, most notably the Development Minister, Sr. Manuel Quijada, have been accused by the Opposition of attempting to impose Friedmanite economic theory in Venezuela. But Sr. Quijada has attacked both AD and private business.

He feels a little uneasy about the economic situation, but he does not feel that he is in any danger of being replaced.

Venezuelan workers are pampered by Latin American standards, enjoying liberal labour laws and earning three times as much as workers in neighbouring Colombia, which has a much higher productivity rate.

But after five years under former President Perez, who used record oil revenues to grant unsolicited blanket pay increases and reduced unemployment to a negligible 5 per cent by creating often superfluous jobs, Venezuelan workers are not willing to take a step backward.

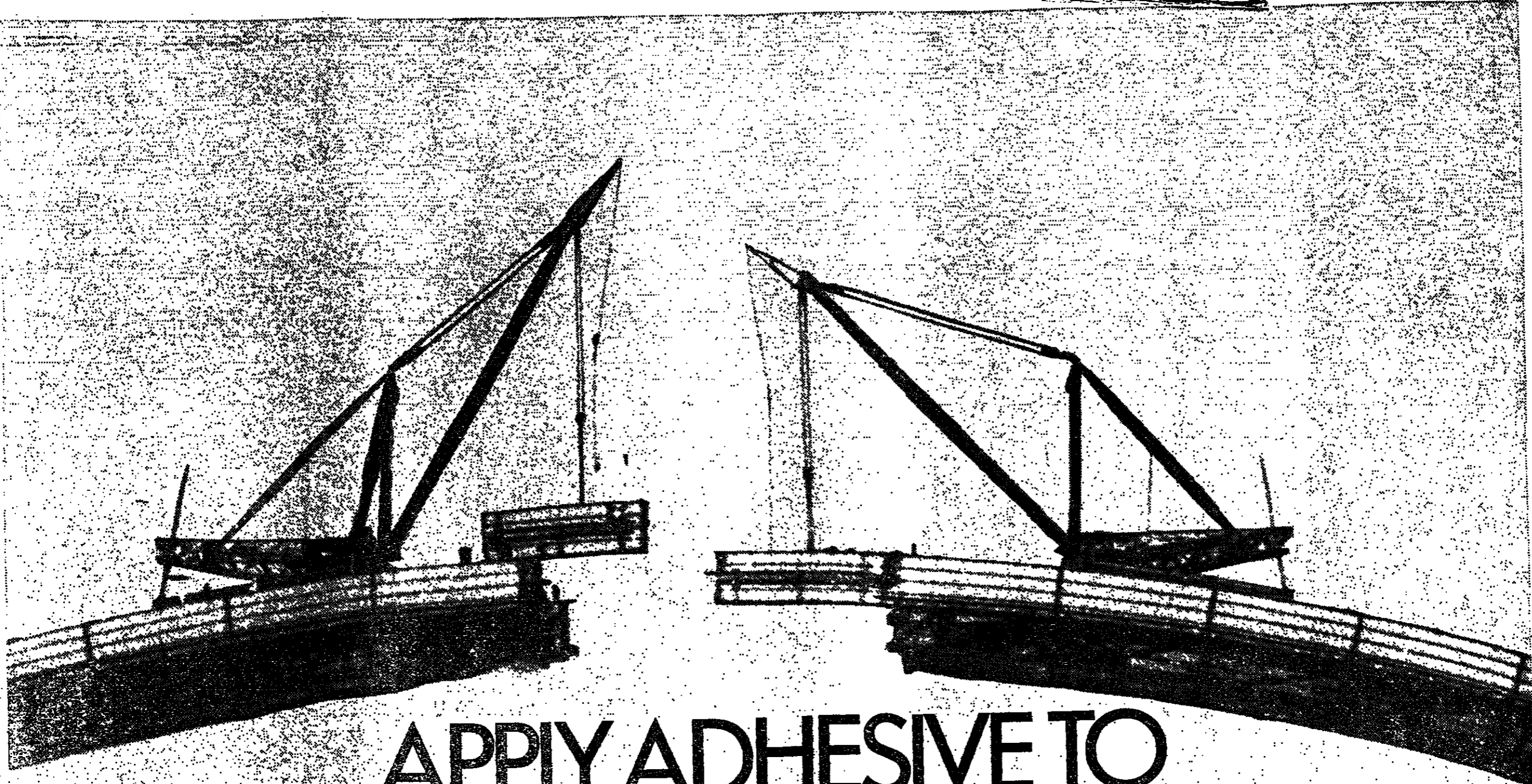
Inflation has had a traumatic effect on the country's labour force, of which around 80 per cent earn between \$235 and \$470 monthly. Thanks to price controls, the average annual inflation rate between 1980 and 1970, was only 3 per cent, and even in the 1970s the rate stayed low, averaging 8 per cent in 1974-78.

Private business supports the Government's drive to increase industrial and agricultural production and productivity in an attempt to reduce the country's heavy dependence on imports.

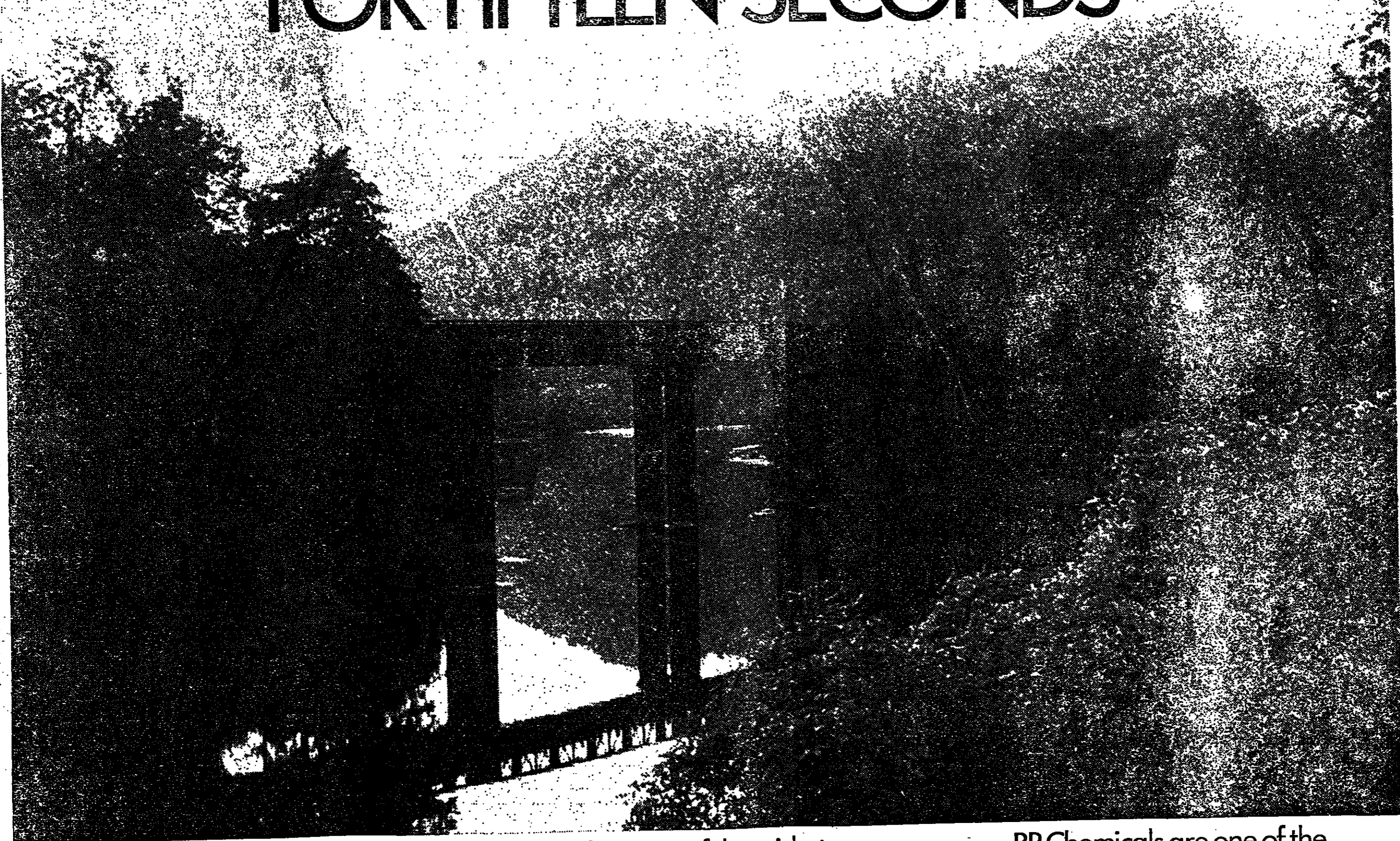
But it feels it is receiving too much "stick and insufficient carrot" in an indication of the general feeling, however, Fedecameras and the CTV's rival, rival have issued a joint statement calling for a change in the country's present economic course.

All this leaves only one bright spot on the horizon. The fifth OPEC conference, which meets in Caracas on December 27, is expected to raise oil prices, and this will increase Venezuela's oil income once again, affording a longer breathing space for the Government to forge a coherent economic policy.

Advertisement for MAPCO LP-GAS featuring the company logo and text about gas appliances.



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OVERSEAS NEWS

David Housego, Asia Correspondent, assesses ASEAN's new political cohesion and continuing economic progress

Asia's prosperous five forge unexpected unity

IF THE Vietnamese stop short of pushing across the border into Thailand in the coming months, it will not be fear of defeat by the Thai army. The major factor deterring Vietnamese pursuit of Khmer Rouge units loyal to the deposed Kampuchean leader Pol Pot is Hanoi's anxiety that the five ASEAN states will again pillory it before the world as an aggressor nation.

The members of the Association of South-East Asian Nations have surprised themselves and unpleasantly surprised Vietnam by the speed with which they have recently developed their political clout. Indeed, this strength has become the organization's most important dimension—and the one least expected by its founders 13 years ago.

Until last year ASEAN was still considered a weak grouping that had done little to fulfil its original purpose of bringing together the non-Communist states of South-East Asia threatened by the instability of continuing war in Indo-China.

But since Vietnam's attack on Kampuchea last December the five have successfully co-ordinated a diplomatic campaign against Vietnam and marshalled international opinion in support of it.

Their cohesion and determination has impressed their friends in the West. In August



commercial and economic cooperation agreement with ASEAN by the end of the year.

For their part the ASEAN States are anxious to broaden their relationship with Europe to offset the dominance of their trade by the U.S. and Japan. EEC trade with the five amounted to only 2.3 per cent of total EEC trade in 1978. Europe's share in ASEAN trade has actually dropped from about 20 per cent in 1960 to 14 per cent last year, largely because of the erosion of colonial ties.

As an indication of reviving European interest, West Germany is currently mounting in Jakarta its largest-ever trade fair in South East Asia, while Britain is playing host to President Suharto of Indonesia who has arrived on a State visit.

Ironically it is the Vietnamese who have done most to draw the five States together and put muscle into ASEAN as a regional organisation. After Hanoi's success in over-running South Vietnam in 1975, the five had differing views on how to handle a militarily powerful Vietnam.

Malaysia and Indonesia were more anxious than the other

members for reconciliation with Hanoi, partly because they saw mainland China as the major long-term threat to the region.

But the five quickly pulled together after Vietnam's invasion of Kampuchea because of the regional precedent it set of intervention by armed force. The co-ordination of policy since has been easier because most of the ASEAN leaders—President Suharto, Lee Kuan Yew of Singapore, Datuk Hussein Onn of Malaysia, General Kriangsak Chamanan of Thailand and President Ferdinand Marcos of the Philippines—have long been in power or know each other.

A further impetus towards closer co-operation came from Vietnam's expulsion of its ethnic Chinese community and from the threat that last summer's exodus of boat refugees posed to the delicate racial balance in Malaysia and Indonesia.

The ASEAN states were roundly condemned abroad for their unscrupulous policy of pushing boat refugees back to sea. But they won a major victory in getting the refugee problem accepted as one for which the international community was responsible.

Individually the five's foreign policies continue to reflect differences of stance. Thailand has drawn much closer to China than the others would wish. Realistically they have accepted that neither singly nor together could they militarily stand up to Vietnam.

There is thus little prospect of ASEAN being transformed into a military pact, although there are bilateral joint exercises, some standardising of equipment and an offer by Singapore of military help to Thailand.

The basic strength of their economies lies in the continuing strong demand for their major commodities. The region accounts for about 80 per cent of the world's rubber and palm oil exports and nearly 70 per cent of tin exports. About 60 per cent of Indonesia's foreign exchange earnings come from crude oil.

The growth in trade of the ASEAN states has accordingly been well above the world average, and trade as a proportion of GNP is high by developing country standards. The ASEAN states in particular (Singapore) have also achieved a faster growth rate in manufactured output than most developing countries, a reflection of the openness of their economies and their encouragement of foreign and private investment.

What the crude statistics conceal is the problems that most of them are having with inflation and growing disparities of wealth. In Indonesia, Thailand, Malaysia and the Philippines, social or communal tensions remain precariously balanced.

In terms of economic co-operation, the purpose for which ASEAN was established 13 years ago, progress has been scant. Although trade among the five is growing, it still accounts for only about 14 per cent of ASEAN's total trade. Schemes for mutual tariff preferences and industrial co-operation have yet to make much impact.

It is thus the political clout that the five have mustered which surprisingly has proved their strength.

15 mayors quit over Nablus deportation

By David Lennon in Tel Aviv

THE MAYORS of 15 towns of the occupied West Bank of Jordan resigned yesterday in protest at the arrest of one of their colleagues, Mr. Bassam Shaka, the Mayor of Nablus.

Four other mayors postponed action pending a response from the Israeli Government to their request that Mr. Shaka be released until the Israel Supreme Court rules on an appeal against a decision by the Israeli authorities to deport him.

Mr. Shaka, the outspoken nationalist mayor of the West Bank's largest town, was arrested on Sunday and served with a deportation order because of declarations he made in sympathy with Palestinian guerrilla actions.

The Israeli authorities have long regarded Mr. Shaka as the most troublesome of all the leaders in the occupied territories. He has angered them particularly by his support of farmers struggling against Israeli land seizures.

Political spokesmen

The mayors in the occupied territories are generally regarded not simply as municipal officials, but as political spokesmen of the 1.2 Palestinians who have been living under Israeli occupation since 1967.

In municipal elections in 1976 most of the pro-Jordanian leadership was swept out, municipal office by a vote in favour of nationalist mayor.

The new young mayor have resisted Israeli efforts to bind their towns more closely to Israel by linking them to the Israel electric grid and providing other services direct from Israel. The mayors have also been active in the fight against land seizures.

Last weekend Mr. Shaka said he had told the senior Israel officer in charge of the occupied territories that he understood the motives of Palestinian guerrillas who attacked Israeli targets, including those who attacked on a bus near Tel Aviv last year resulted in 34 deaths.

This was reported in the Israeli Press in such a way as to give the impression that Shaka identified with the killing of innocent civilians and children. The public outcry in this over his alleged remarks led the Government to order deportation.

The Supreme Court then awarded an interim injunction to Mr. Shaka's wife forbidding the banishment before the Defence Minister had explained his grounds for the action to the court.

Kim 'ready to meet Opposition'

Kim Jong Pil, newly elected head of South Korea's ruling Democratic Republican Party, is willing to meet opposition leaders if it would promote stability following President Park's assassination, he said yesterday, Reuter reports from Seoul.

A healthy opposition must exist along with a healthy governing party, he added. Kim, 53, is regarded as a potential successor to Park. The main opposition party, the New Democratic Party (NDP), has called for a drastic overhaul of the constitution, the release of political prisoners, and an end to martial law.

Ethiopia warning

Colonel Mengistu Haile Mariam, Ethiopia's Marxist leader, has accused Somalia of stepping up guerrilla attacks on his country and said Ethiopia might be forced to hit back, Reuter reports from Nairobi. Quoting Addis Ababa radio, the agency said the warning came during the visit to Ethiopia of Herr Erich Honecker, East German leader, who is expected to sign a 20-year friendship treaty during his stay.

Malaysia nuclear hint

The Malaysian National Electricity Board could have its first nuclear power plant in operation in the 1990s, it said yesterday, Reuter reports from Kuala Lumpur. Studies suggested that a 900 Mw plant would be most suitable.

Fall-out 'proof'

New Zealand scientists believe they have proof that a nuclear device was exploded in the Southern Hemisphere in the past three months, Reuter reports from Wellington. Low-level radioactivity had been detected in rainwater samples collected by the Institute of Nuclear Science, they added.

Thais move refugees

Thai authorities yesterday began moving about 5,000 Kampuchean into a new refugee camp, Reuter reports from Bangkok. The refugees had fled to Thailand to escape prolonged shelling from Vietnamese forces near the border.

Denial offered

Yesterday the Mayors Bethlehem and Hebron of the West Bank and the Mayors Gaza and Khan-Yunis in the Gaza Strip met Mr. Erer Weiman, the Defence Minister, ask him to release Mr. Shaka until the end of the court procedure. They also asked Mr. Shaka be allowed to publish a denial in Israeli media of remarks attributed to him.

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Way cleared for S. Africa to attend Namibia talks

BY JOHN STEWART IN CAPE TOWN

DR. KURT WALDHEIM, the United Nations Secretary-General, and Mr. R. F. "Pik" Botha, South Africa's Foreign Minister, appeared yesterday to have resolved their differences sufficiently to allow a South African delegation to fly to Geneva last night for a UN sponsored conference on Namibia.

In an exchange of recriminations over nearly four days, Dr. Waldheim and Mr. Botha matched wits over the appropriateness of adding representatives of four or five internal Namibian parties to the list for the Geneva talks. The list already included the UN Namibia secretariat, the Western contact group (Britain, the U.S., France, Germany and Canada), the five African front-line states and the South West Africa People's Organisation, the nationalist group engaged in an armed struggle with the South African security forces.

Dr. Waldheim regards the South African Government the only relevant internal participant, but Mr. Botha remained adamant that Pretoria will negotiate a settlement without consulting other internal political organisations — 34 parties loosely gathered in three groupings.

A compromise appeared to have been arrived at on Monday night after the intervention of Western Governments. Under this arrangement internal Namibian parties have been invited to the conference in consultation. A similar arrangement was made in New York March when they were required to stand by in jobs and hall.

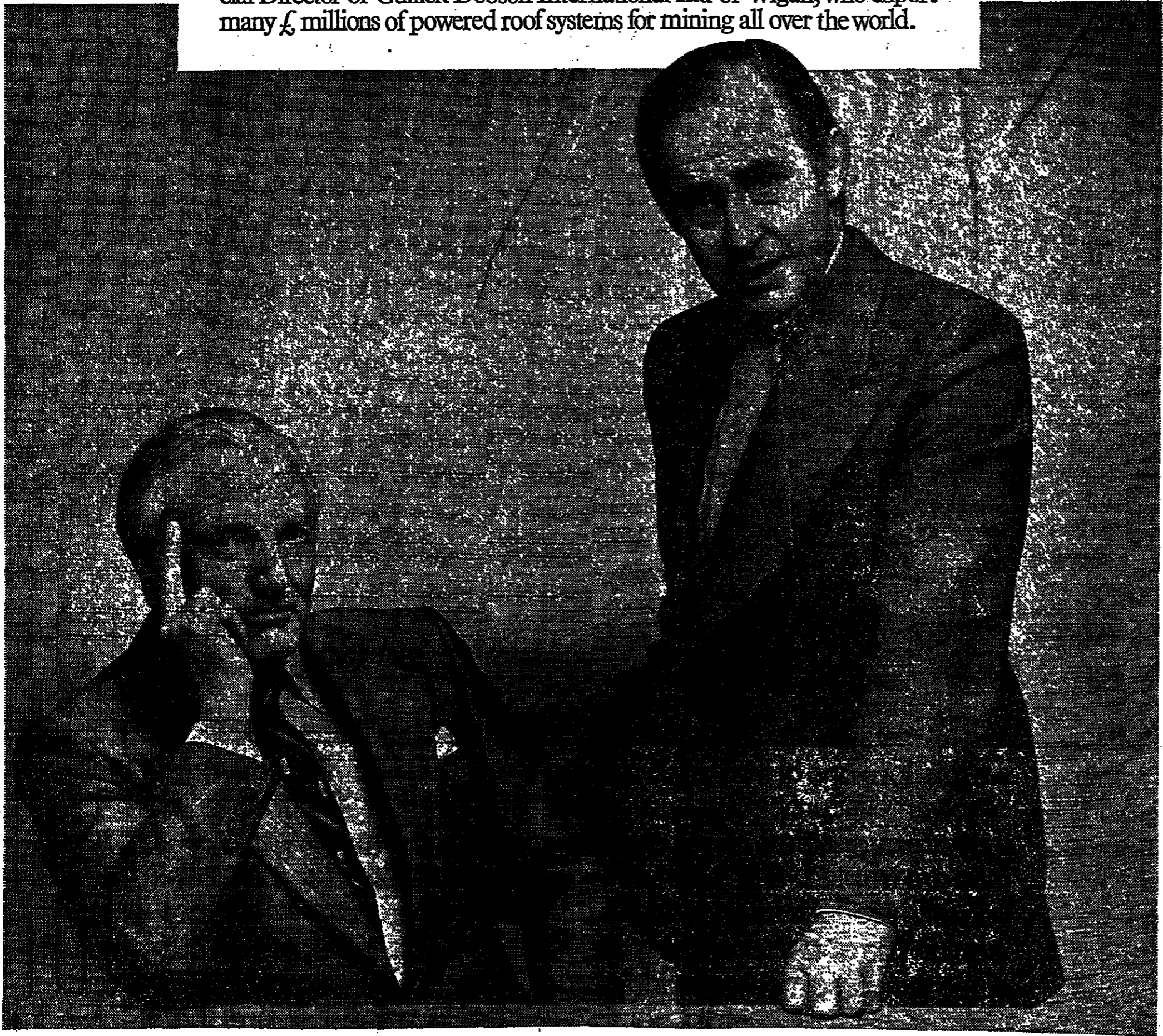
The purpose of the Geneva conference is to discuss proposals put forward by Angora for the establishment of a 6-mile-wide demilitarised zone on either side of the Namibia-Angola frontier during a UN supervised transitional period leading to elections and independence.

"We believe in ploughing back every penny we can afford into investment, and to do that, we need predictable profits. That's why we have an ECGD insurance policy for our exports.

"It would be quite wrong for us to get a good return one year, only to have a hole knocked in it the following year because of a large overseas loss. With the worldwide expansion of our business, there are many hazards and it would be foolish not to insure the credit risks.

"So, with ECGD covering 90 or 95% of the value of our exports—at low premiums—well it seems to us an eminently sensible way of doing business."

Mr T Pollard (seated) is Chairman and Mr D T Morris-Jones, Financial Director of Gullick Dobson International Ltd of Wigan, who export many £ millions of powered roof systems for mining all over the world.



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 Sales to and by overseas subsidiaries of UK firms Single large sales of capital equipment, ships and aircraft Construction works contracts Services. ECGD also makes available: Guarantees to banks providing export finance, often at favourable rates of interest, including project loans and lines of credit to overseas borrowers Guarantees for performance bonds Guarantees for pre-shipment finance Consortium contingency insurance Cost escalation cover Tender to contract cover Cover for investments overseas For full details call at your local ECGD Office.

To make an appointment or for information contact the Information Officer, Export Credits Guarantee Department—quoting reference FTW—at Glasgow, Belfast, Leeds, Manchester, Birmingham, Cambridge, Bristol, London West End, Croydon or Tottenham offices; or Joan Swales, Information Section, ECGD, Aldermanbury House, London EC2P 2EL. (Tel: 01-606 6699. Extn. 257).



هكلمن العربى

WORLD TRADE NEWS

Nine U.S. companies to set up plants in Ireland

BY STEWART DALEY IN DUBLIN

WHAT is considered a major breakthrough in foreign investment in Ireland, Mr. Jack Lynch, the Irish Prime Minister, who is on an official visit to the U.S., has announced in Houston that nine U.S. companies have concluded negotiations with Ireland's Industrial Development Authority (IDA) to invest in the country.

Incorporated is to manufacture laboratory glassware close to Dublin. This is thought to be the first incoming investment to locate in Dublin's inner city. There is a boom in American investment in Ireland. The IDA has estimated that of the £1.6bn foreign investment in the country over half is from the U.S. Ireland depends a great deal on new foreign investment in manufacturing for its industrialisation programme.

Cuba cuts deficit with West

By Hugh O'Shaughnessy

CUBA reduced its trade deficit with Western countries in 1978 to about \$500m (£233m), compared with \$900m in 1977 and \$800m in 1976, according to trade officials in London.

This was achieved by reducing purchases from the West from \$1.6bn in 1977 to \$1.27bn last year. Over the same two years Cuban exports to the West rose marginally in monetary value from \$725m to \$780m.

Cuban trade with the communist countries rose noticeably with Cuban exports jumping 30 per cent from \$2.9bn to \$3.8bn and Cuban imports going from \$2.8bn to \$3.5bn, an increase of 25 per cent.

Venezuela-Brazil talks open way for big leap in trade

BY KIM FUAD IN CARACAS

THE MILESTONE meeting of President Jose Figueredo of Brazil and Luis Herrera Campins of Venezuela appears to have opened the way to a leap in trade between the two Latin American neighbours.

Mr. Figueredo's 44-hour official visit to Caracas last week—the first ever by a Brazilian chief of state to Venezuela in almost a century—was the political gesture needed to break the ice of suspicion towards Brazil and convince Venezuelans that their huge neighbour was willing to take its new policy of closer ties with the rest of Latin America beyond mere rhetoric.

\$2bn and \$3bn. The trade package, which will take about a year to negotiate, according to Sr. Paulo Tarso Flecha de Lima, the Brazilian Foreign Ministry trade promotion chief, calls for the expansion of the present trade of oil for manufactured and agricultural products.

Venezuela, whose trade has been based on a quid pro quo of oil for goods and services produced by industrialised countries since 1928, has been groping for years for alternatives to an economy based exclusively on non-renewable and declining conventional oil reserves.

from developed countries provides fertile ground for Brazil's intermediate technology. Many of the businessmen who accompanied President Figueredo feel that sharing the Brazilian experience in establishing a solid manufacturing industry with Venezuela offers the best basis for a growing exchange between the two countries.

Venezuelan and Brazilian businessmen identified trade opportunities in five general areas—agriculture, finance, construction, metalworks and heavy industry and commerce and services.

Yugoslavs aid Peru irrigation

By Doreen Gillespie in Lima

PERU HAS signed a \$111m (£52.8m) construction contract with Energoprojekt Engineering and Contracting Company of Yugoslavia for the second stage of a major irrigation project in northern Peru's main cotton growing and fruit and rice production area.

The Yugoslav company is providing \$56m of the financing and the World Bank a \$56m loan repayable over 13 years from 1984.

The second stage of the project involves improving the irrigation system of the Chira Piura valleys in northern Peru where a dam and canals and drainage work have been completed in the first stage at a cost of \$352m. The first stage of this work began in 1971, and was also constructed by Energoprojekt with Blume and Partners of London as consulting engineers.

A feature of the Chira Piura project is that it is basically a land and water use improvement project to improve irrigation of 116,000 hectares, although it is also aimed at incorporating another 40,000 hectares of farmland.

Brussels sees potential in Rio

BY DIANA SMITH IN BRASILIA

HENRI SIMONET, Belgium's Foreign Minister, has urged Belgian businessmen to visit Brazil to study the country's enormous marketing potential.

reference that Belgium's export efforts had been too strongly concentrated on EEC partners. But he added that there was one sore point affecting trade between the two countries.

For more than 10 years, Sabena, the Belgian national airline, had struggled to arouse Brazilian interest in Brussels-Rio flights, and has met with resistance from Varig, Brazil's international airline.

According to U.S. analysts, Cuba's total debt with Western countries at the end of last year was about \$2.6bn, a little more than three times the value of its annual hard currency earnings.

Matsushita in Mexico joint venture

TOKYO — Matsushita Electric Industrial will establish a joint venture in Mexico to produce electric batteries, the company announced.

Mr. Toshihiko Yamashita, the company president, said Matsushita had reached an agreement with Autlan of Mexico City on the project.

while, that his company's wholly-owned subsidiary in Mexico, Panasonic de Mexico S.A. de C.V. has started production of acoustic equipment and electronic parts this month.

Work on the second stage is due to start in January for completion over three years.

Fujita to use 400 Chinese in Iraq highway project

BY RICHARD C. HANSON IN TOKYO

FUJITA, a Japanese construction company, has contracted with China to use 400 unskilled Chinese workers in a highway project in Iraq which will commence next March.

following in the footsteps of other non-Communist countries such as South Korea, which has provided large numbers of workers for Middle East construction projects in order to help generate foreign exchange.

Fujita signed the agreement with the China Civil Engineering Corporation, in Tokyo. The project involves construction of highway between Baghdad and Hit, a distance of 70 miles.

The workers will be paid standard world wage scales, of \$300-\$400 per month over the two-year construction period.

China is known to be eager to export labour for such work.

BANGLADESH LNG RESOURCES

Dacca moves to boost gas exports

BY PEARL MARSHALL, RECENTLY IN DACCA

BANGLADESH is pushing ahead with some ambitious export-orientated projects to further utilise its natural gas resources. Its aim is to generate as much as \$1bn a year in foreign exchange.

Chittagong's industrial sector, and a smaller-scale distribution network at Laksham, a town between the Bakhrabad field and Chittagong. The pipeline will also link with a proposed \$250m to \$300m fertiliser project in Chittagong.

The top priority in gas developments is an \$800m liquefied natural gas (LNG) project at Kutubdia, an island off the mainland, south of Chittagong.

The Government wants to involve private foreign capital in the financing of this fertiliser project through the International Finance Corporation.

The go-ahead on construction depends on whether recoverable gas reserves at the Bakhrabad field, east of Dacca, are sufficient to supply the plant. These are currently assessed at 143 trillion (million million) cubic feet, and a further 4.5 trillion cubic feet must be found, in order to allow a 20- to 25-year supply.

Later plans call for a tie-up by pipeline of all nine of Bangladesh's gas fields, most of which run roughly north to south on the eastern side of Bangladesh, and have a potential of around nine trillion cubic ft.

Appraisal wells

There should be 450m cubic feet of gas per day available at peak," says Mr. Peter Riggall, operations manager of the London-based International Management and Energy Group (IMEG).

Development wells are also to be drilled in the southern part of the Bakhrabad field with assistance from the World Bank and Japan.

IMEG is preparing to undertake 20 appraisal wells in the northern part of the Bakhrabad field. If the proposed LNG plant is approved, IMEG will finance it on the Eurodollar market.

The Japanese are expected to do the drilling as only tied project assistance has been discussed. Work will start in the early part of next year for completion in 1981.

A second export-orientated gas-based project is being negotiated with the South Korean Development Corporation of Seoul.

As these developments progress and gas begins to power more and more industrial centres, Bangladesh might be able to bring its oil import bill more under control, for despite its gas finds, Bangladesh has yet to strike oil.

The South Koreans have proposed a 300,000-ton-per-year sponge iron plant with exports aimed at Japan.

Domestic needs

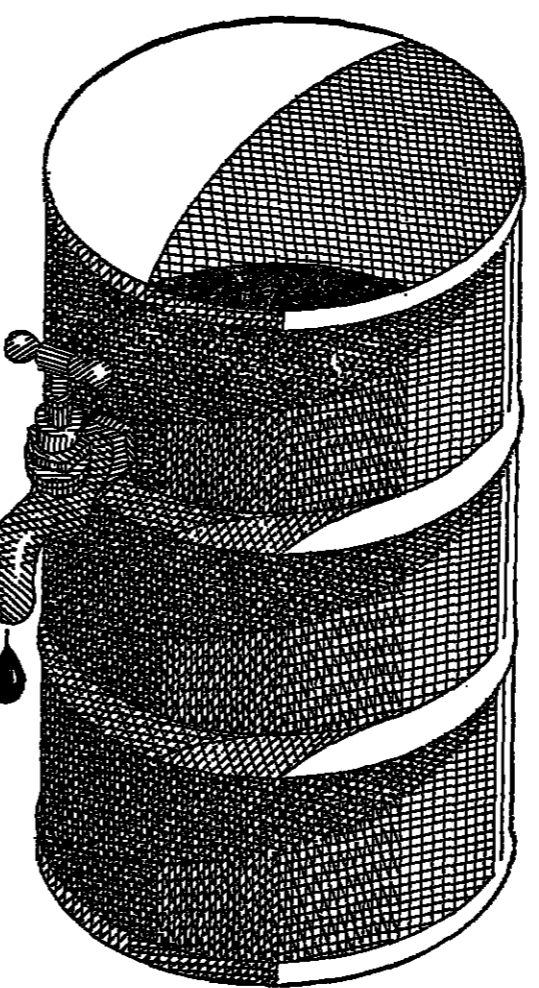
"We would only need 100,000 tons, so there will be 200,000 tons in excess," says Mr. Mozammel Haque of Petrobangla, the state-run hydrocarbon exploration and distribution corporation.

Last year's oil imports totalled \$320m, but this year the figure of \$350m has been quoted, and there is a suggestion that the bill could go as high as \$400m. The country imports its oil from Saudi Arabia and the UAE and is now looking to Qatar for the final 800,000 tons to fulfil its 1980-81 requirements of 2.2m tons.

Much of the gas pipeline infrastructure for domestic use will be up for tender soon, and the prequalification notice is out to go out for the 100-mile, 4-inch pipeline linking the Bakhrabad field with Chittagong, a separate development from the LNG project.

On the domestic energy front, the country is looking to supplement its electricity supplies with a 125mw nuclear reactor about 100 miles west of Dacca.

The World Bank is expected to lead funding, which could run to more than \$100m. The LNG is to be directed to



On tap?

Even the best-behaved fields give up only about 50 per cent of their oil to present recovery methods; the rest is either too difficult or too costly to extract. Some give up none at all. About 35 miles west of Shetland there's an oilfield the size of Birmingham, one of the biggest in Western Europe. It hasn't been exploited because the grains of sand in the reservoir are clogged with tiny particles of clay, and the oil itself is too thick and heavy to flow through.

reservoir to flush out more oil than we'd otherwise retrieve. Scientists at Mobil's Field Research Laboratory in Texas are pooling their worldwide experience to develop more exotic techniques — like pumping in carbon dioxide, steam or a mixture of water and detergent chemicals. Some of these elaborate methods are still too expensive to be worth using, but we're working to bring down the cost. Improved techniques will probably never recover all the oil we find — at any price. But they do offer a chance to extend the life of existing fields; and perhaps, one day, to put even that Shetland field on tap.

Mobil

Fourth in a series on energy issues.

£15m development by Ferranti

By Robin Reeves, Welsh Correspondent

FERRANTI Computer Systems yesterday announced a £15m design, development and research unit at Cwmbran, South Wales, to develop new systems, mainly for defence applications. It also unveiled its first order for the new unit — a £2.5m Ministry of Defence contract for a comprehensive data processing and display system covering both air defence and air traffic control requirements. The Cwmbran development will be expanded in three stages and expects to provide about 1,000 new jobs, the majority of them for skilled personnel in the computer field by the mid to late 1980s. It includes a new office building to be financed by the company and completed by 1981.

The new unit has already been constituted as an autonomous Department of the Bracknell division of Ferranti Computer Systems and given the task of working on digital systems, modules and software. The decision was warmly welcomed by Mr. Nicholas Edwards, the Secretary of State for Wales. Ferranti has lost a Government grant of some £680,000 towards the cost of the new office block as a result of the phasing out of regional grants in intermediate development areas from next August 1.

However, the Welsh Office has agreed to a grant of £430,000 towards the development under the Industry Act selective investment scheme. Mr. Derek Alun Jones, managing director of the Bracknell division, explained that one of the attractions of Cwmbran had been the prospect of being able to recruit sufficient staff of the right calibre and keep them, a task which was becoming increasingly difficult in the Berkshire "software belt". Elaine Williams writes: Ferranti's expansion in Wales is in contrast to the sale of several of its other activities during the year. At the beginning of

the year it sold its Canadian subsidiary, Ferranti-Packard to Northern Engineering Industries; it disposed of its special components department—which makes cathode ray tubes—to Thorn electrical Industries and its helicopter subsidiary went to Caledonian Airways. Ferranti, whose turnover last year was £183.1m also decided to run down its transformer division because of the world-wide recession in this aspect of the industry. The company has committed itself to concentrate on electronics and related activities since it is these areas which are expected to show the greatest growth in the future.

Only 30% of Scots buy their homes

By Ray Perman, Scottish Correspondent

SCOTLAND has a lower proportion of owner-occupied housing than many countries of Europe, including Eastern bloc states such as Hungary and nations like West Germany, where there is a high level of privately rented accommodation. The latest volume of Scottish Housing Statistics, published yesterday by the Scottish Development Department, shows that the proportion of Scots families which own their homes, although rising over recent years, is still only about 30 per cent. In contrast, the level in West Germany is about 5 per cent higher and in Hungary nearly twice as high. Belgium, Italy and France also have substantially higher levels.

The growth in owner occupation in Scotland has been nearly matched over the last decade by an increase in the amount of public sector rented accommodation, with the private sector being squeezed in the middle. Scotland now has the largest public sector in the UK, with 54 per cent of all homes provided by local authorities, or other public bodies, such as the new town development corporations and the Scottish Special Housing Association.

Pharmacy report expected to spark price war

THE START of a full scale price war between pharmaceutical wholesalers seems to have been signalled by the report on payment for retail chemists which is being considered by the Department of Health. Skirmishes have been going on for years. But the report, drawn up by the Independent Profit Assessment Panel, has declared, more or less officially, that pharmaceutical resale price maintenance is dead. The discount battle can start in earnest.

Resale price maintenance, which enables manufacturers to lay down wholesale prices, was retained for pharmaceuticals after it had been abolished for nearly all other goods. The major drug manufacturers have fought hard to keep it going, but even they now admit it has gone by the board for all practical purposes. The wholesalers proved too adept at finding ways round it. The report suggests wholesale discounts on medicines may already be worth about £20m a year to the 9,500 retail chemists in England and Wales. The panel says its understandings "it is now common for chemists to obtain discounts of 10 per cent on all purchases from a single wholesaler over the first £1,000 per month, for payment on normal credit terms."

It concludes that once allowances have been made for small, rural chemists without the turnover to warrant big discounts, "an average-sized independent chemist should be able to obtain an average rate of discount of about 5 per cent." On this basis, the figure of £26m a year has been calculated. But the greater part of the £26m is not being taken into account by the Department of Health when it reimburses retail pharmacists for the cost of their drugs. Most of it—some allowance is already made for discounts—is an overpayment by the Government to the chemists. The chief recommendation of the panel's report was chemists should be allowed a 27 per cent return on capital employed necessarily be set against an increase in percentage return on capital employed. It feels the two should be seen as separate parts of the same system. All the same, the committee is worried. It believes the discount war between pharmaceutical wholesalers will be comparatively brief though fairly high in casualties. Once some of the smaller wholesalers have been forced to the wall and some of the larger ones have had to close a number of their depots, the position on discounts is likely to be stabilised. The PSNC fears an inquiry into the value of wholesale discounts will come up with a global sum which will quickly become outdated. Retail chemists could then find the Government deducting a sizeable amount from their payments—but they themselves are no longer able to make up the money through discounts. The PSNC's view that the war between pharmaceutical wholesalers will be nasty, brutish and short, seems to be accepted by some of the wholesalers themselves. Macarthy, one of the largest UK pharmaceutical wholesalers, reckons a number of its smaller competitors will be forced to close, and some of the bigger wholesalers will also be made to reduce the number of their depots. It estimates there is about one wholesale depot for every 60 retail chemists in the country. It says some London area chemists probably have a choice of up to 27 deliveries a day from 5 or 6 different wholesalers.

Fewer betting shops

FINANCIAL TIMES REPORTER

MORE THAN 3,000 betting shops have closed and more than a quarter of Britain's bookmakers have gone out of business in the past 10 years, according to Government figures published yesterday. There were 12,475 betting shops in May this year compared with 12,512 in May last year and 15,490 in May 1969. In the year to May 31 this year, bookmakers' permits fell from 7,960 in the previous year to 7,881. The total in 1969 was 10,723. The only area to record an increase was Wales, which ended the year with 13 more bookmakers but 46 fewer betting shops.

Ladbroke and Mecca, two of the big four gambling chains, said yesterday the closures were the result of steadily rising costs. The number of Ladbroke shops had fallen from 3,100 to about 900, but had since risen to 1,010. Mecca has 650 shops. Customs and Excise statistics show that last year the amounts staked increased more than 1 per cent in cash terms but were 7 per cent down in real terms. Betting Licensing Statistics, Great Britain, June 1979 to May 1979; Stationery Office, £1.25.

Call for urgent reform to monetary control system

By Peter Riddell, Economics Correspondent

EXISTING TECHNIQUES of monetary control need urgent reform, according to Professor Harold Rose, group economic adviser of Barclays Bank. Writing in the latest issue of Barclays Review, Professor Rose discusses whether the present reserve asset ratio system to which banks have to conform should be replaced by a narrower cash ratio or monetary base system, which would be more closely under the control of the Bank of England. Professor Rose sees a number of advantages in a change. In particular, "a cash ratio system would have the advantage not only of providing a greater element of predictability as to the likely results of official operations, but also of lightening the emphasis which the present system requires to be placed on sales of long-term public sector debt to non-bank investors." The future structure of monetary controls is now being considered by the Treasury and the Bank of England and a consultative paper is likely to be published shortly. Some Treasury ministers and officials are known to be sympathetic to proposals for some form of monetary base system, though the Bank of England has had reservations about some of the alleged advantages. Similarly, the clearing banks have differing views on the desirability of reform. In his article, Professor Rose suggests that the reserve asset

system might be strengthened as a first step to a cash ratio system. "The existing bundle of monetary policy control techniques, containing as it does a regression to undesirable forms of compulsion, to compensate for its weaknesses, needs to be reformed; and the temptation to evade the issue on the grounds that 1980 may bring a slower growth in advances and, therefore, in the money supply, must be resisted." Professor Rose also notes that "the complete abolition of exchange control, by enabling an otherwise unsatisfied demand for advances to be financed by sterling deposits with offshore banks, creates potential loopholes in the corset. By giving UK residents access to overseas investments, it also blurs the effect of interest rate policy."

Hearing on domestic air fares to open today. By Michael Donne, Aerospace Correspondent. THE CIVIL Aviation Authority today starts three days of public hearings in London into applications by various airlines for rises averaging 10 per cent in domestic air fares. The applications for the rises were made some time ago, with the aim of introducing them on November 1. But because of pressures on the authority—including the lengthy public hearings into the bids for new routes at ultra-cheap fares from Gatwick to the Continent, which are still in progress—it has not been possible to study the domestic fares plans until now. Most of the airlines flying internal routes are involved, including British Airways, British Caledonian Airways, British Island Airways (now part of Air UK), Brymon Airways, Dan-Air, and Intra Airways. Several hundred fare rises are involved, but the most significant increases sought are those from the present £37 single to £41 in the fare on the trunk routes between London (Heathrow) and Edinburgh, Glasgow and Belfast. The rise sought in the fare between London and Manchester is £2.70, from £25.30 to £28 single. The authority is expected to make up its mind quickly on the applications, and decisions could be announced in two weeks.

Ulster bids for car work from U.S.

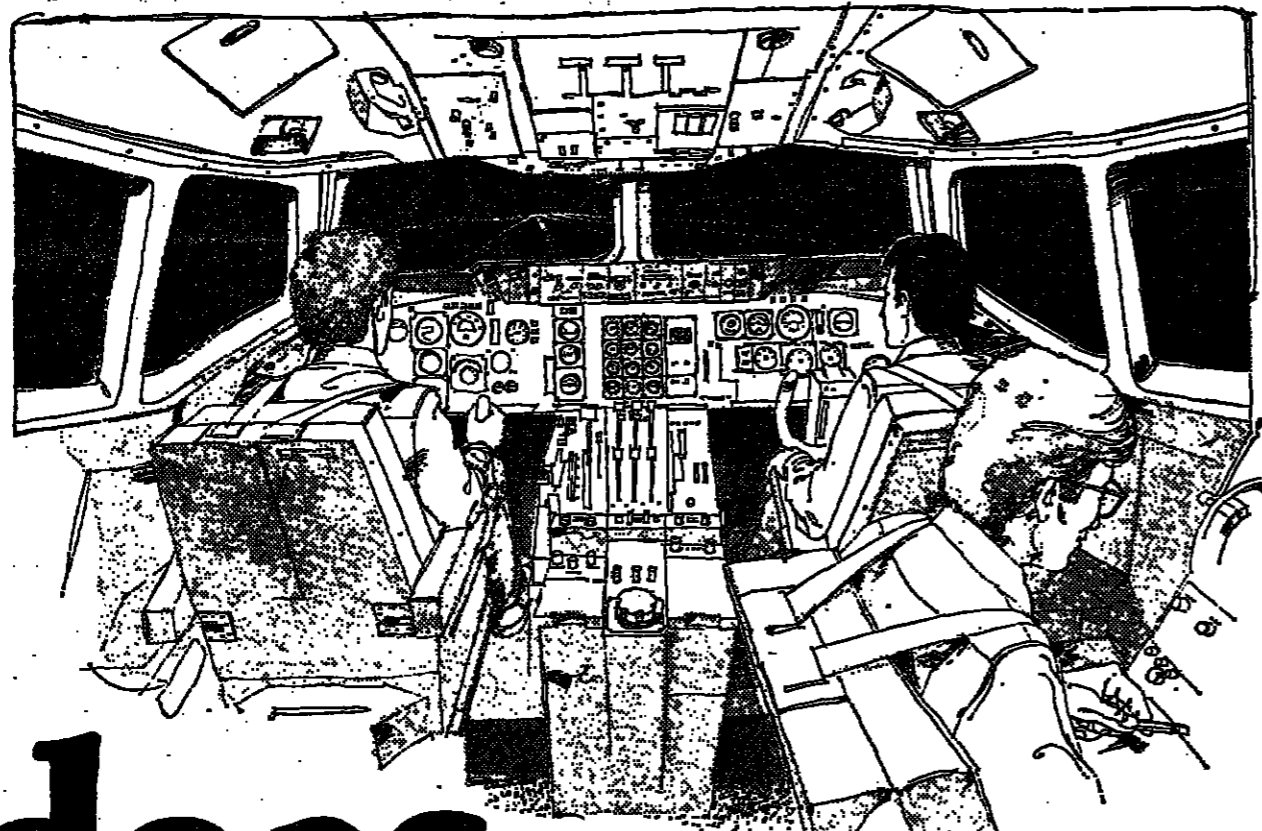
By our Belfast Correspondent

THE NORTHERN IRELAND Development Agency is to launch a campaign to persuade overseas manufacturers of automotive components to consider Ulster as a base for operating in Europe. Initially it will concentrate on the U.S. The province is already an important supplier of parts to the Continental motor industry, but the agency sees room for considerable development in the light of forecasts of a 3 per cent a year growth in European car production to about 13.5m cars a year by 1985.

Announcing the new drive yesterday Mr. Frank Galbraith, head of the agency's marketing division, said: "The campaign will pursue the establishment of enterprises in Ulster, either through direct inward investment or by joint ventures with existing local company or even licensing agreements." Up to 200 U.S. companies in the components industry will be contacted. The agency is aiming at second-line manufacturers rather than the major groups in an attempt to find companies who are examining European possibilities as a

result of static U.S. car production. Promotional material illustrating the opportunities offered by Northern Ireland for entry into the European markets will be distributed in America. This will be followed by discussions with interested companies in an effort to encourage them to visit the Province. The agency will emphasise that skilled labour is available, and will cite the record of existing component manufacturers such as Tenneco Walker (UK), which makes exhaust

systems, and the Essex Group, part of Essex International of Indiana, which manufactures wiring assemblies. The sector has already been stimulated by the arrival of the General Motors subsidiary, Fisher Body, to produce seat belts, and by the De Lorean sports car assembly plant nearing completion at Belfast. The campaign, which will later be extended to Japan and other countries, is based on research into the original equipment market and the far larger replacement market.



Ideas in flight

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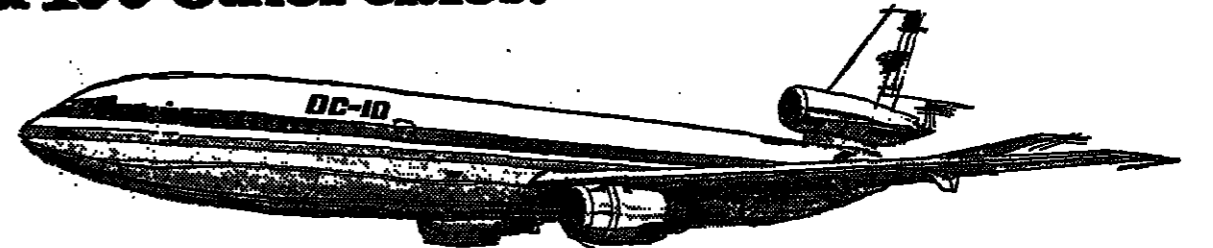
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MCDONNELL DOUGLAS

COLIN AMERY ON THE THE WAY A STREET'S FATE IS DECIDED

The development that is putting Britain's planning system on trial

THE BRITISH planning system is on trial. The proceedings can be witnessed at a planning inquiry that has been running since May in a nondescript South London hall.

Ostensibly, the inquiry is to decide the fate of 16 acres of land on the South Bank of the Thames around Coin Street, but the conduct of the inquiry and the decision will have serious consequences for the future of the inner cities and the planning system.

Is a lengthy planning inquiry a fair process to decide issues of environmental quality? The basic decision to be made at any inquiry concerns the use of land. The procedure for deciding this has been devised to ensure that social, environmental and commercial interests all have a fair hearing.

During the lengthy Coin Street inquiry it has become clear that in a quasi-legal atmosphere where development decisions are tortuously worked out before the inspector, the developer with the expensive, well-briefed QC has the real advantage.

It is in the interests of the developer to spend large sums of money, as he has the chance

of a high return if the inquiry goes his way. Local amenity groups are unlikely to have the funds to employ high-powered planning QCs or to conduct elaborate research.

The case put forward by local groups is usually already well known in the area. There is little point in local representatives following the example of counsel who spin out the proceedings in their clients' interest.

Polarisation

The inspector, and ultimately the Minister of the Environment, have to decide whether Coin Street should be used for a large office development, or for low rise housing and a riverside park.

There is inevitably polarisation between supporters of the rival proposals. On one side are the developers. At this inquiry, Greycourt Estates has emerged as the leading contender for the site. On the other side are the community action groups, backed by their local authority.

Coin Street is at present mainly derelict land between the National Theatre and Black-

friars Bridge. There is little on the site that is worth preserving. Even London Weekend Television's ugly new offices could hardly be described as a visual asset. Some conservationists have called for the retention of the OXO tower, but it is hard to take them seriously. The main feature of the site for London is that it is a clean slate, an opportunity to add something worth while to the river view.

The history of the site is important in planning terms. It is a part of the 1977 Waterloo District Plan, which allocated the land for family housing for the local community. This plan received strong local approval and was endorsed by the Greater London Council, then Labour controlled, both as the strategic planning authority and as a major landowner—the earlier London County Council had acquired much of the site for the comprehensive redevelopment of the South Bank.

The new Conservative-controlled Greater London Council completely changed the planning picture. The details are complicated, but, in essence, several developers saw the gleam in the GLC's eye and put

forward massive proposals for office developments sweetened with fringe benefits for the locals. Those proposed at one time added up to 14m sq ft, equal to nine Centre Points.

Only at the mid-inquiry stage did Greycourt Estates pull its big rabbit out the hat by calling in the architect of the successful Centre Pompidou in Paris to produce a scheme for the whole of the Coin Street site.

Mr. Richard Rogers produced a plan at great speed which introduced the first signs of aesthetic excitement to be seen on the South Bank since the opening of the National Theatre. Sensitive to public dislike of damp, exposed concrete, Mr. Rogers proposed a long snake of glass that would provide covered public spaces as well as offices and some housing.

Isolation

Since one of the drawbacks of the South Bank has always been its isolation, the architect proposed a new and elegant suspension bridge that will land on the North Bank near the Temple and, it is hoped, lure people across the river. It is always difficult to sense

the scale of a development from a model, but the scheme is about a third of a mile long and is intended to feel like a grand Galleria full of shops and delights for the tourist.

The fact is that however attractive the Greycourt scheme appears, it is another architectural monolith on the wrong site. The public inquiry has produced evidence to show that the offices which would pay for all the fringe benefits may not be needed in Central London. There is also plenty of evidence that there is a real need for inner city housing for people of all income groups, particularly the lower paid who operate London's vital services. Offices are now more likely to succeed in the outer boroughs where there is a likely resident source of clerical labour.

But this very long inquiry, which has cost about £1m so far, has shown that the GLC favours more large-scale office development and is not really concerned to enhance the community life of south London.

It would have been a splendid thing if the Coin Street inquiry had produced an architectural solution of real sensitivity and distinction, but although Mr.



Rogers' scheme is flamboyant and innovative, it depends heavily on a mass of offices which cannot be disguised or made architecturally exciting. The decision will rest with Mr. Michael Heseltine, the Environment Secretary, and he would be well advised to do two things. He should heed the views of the Town and Country Planning Association and not upturn planning procedures until he can find a way to ensure the fairness of the inquiry system.

And he should take a pleasant walk on the north bank of the river. He will find himself in

the Temple, one of the most attractive areas of London. Why shouldn't the south bank be as desirable as the Temple for homes, parks and open spaces?

If commercial interests win hands down in Coin Street, the credibility of the planning system will face a severe test. The minister has an opportunity to make a mark on London. Once he has read his inspector's report with the utmost care, he would be wise to consider organising a full-scale architectural competition for the whole area. It is the only way out of this planning impasse.

Richard Rogers' design for Greycourt Estates (above) would give Coin Street a large office complex with an arcade of shops and other public amenities through the centre. Housing is included on the landward side of the offices and a suspension bridge planned for pedestrians. Lower picture: Coin Street today: derelict housing, redundant warehouses and car parks. The Thames Television office tower is the dominant landmark.

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BRITISH GAS



New code will make GLC architects pay their way

LONDON'S ratepayers are to be given a more realistic idea of the cost of buildings erected by the Greater London Council.

The council's Department of Architecture is to be managed on the same basis as a private architectural practice. In future the architects will be asked to produce quarterly income and expenditure figures.

Mr. Cyril Taylor, chairman of the professional and general services committee of the council, said that the GLC would in-

Swindon clothiers moving

ROB ROY, the children's clothes firm, is pulling out of Swindon, Wilts, after 13 years in the town, to expand their business at a new factory in Shefford, Leicestershire.

Sixty machines will be made redundant because of the move, while only a handful of top executives will be kept on.

A drastic fall in Christmas orders at the Clover Leaf table mat and giftware company in Swindon has forced the management to cut their workforce.

They will be sack 70 of their 630 workers, it was announced yesterday.

Mine output record

MINERS in north Nottinghamshire were praised by The National Coal Board yesterday for their record-breaking production.

The 18,000 men at 15 collieries in the area produced their highest ever output for one week during November, with a figure of 275,957 tonnes.

N-fuel process starts up again

REPROCESSING of nuclear fuel has been resumed at the Windscale works in Cumbria, where a fire caused a minor radiation leak four months ago.

The shutdown was followed by a strike for dangerous condition money. Rods of uranium for recharging reactors are handled in the building where the fire broke out.

future calculate more accurately the actual cost of staff time heating, lighting, and a notion: rent for the offices that the architects occupy. These costs will be compared with the income of the architect's department and costs and income will be expected to balance.

The architects are at present preparing designs which represent £146m worth of work. They will in future charge council customers, like the housing department, the same fees as private practice would charge. The fees will follow those laid down by the Royal Institute of British Architects.

The latest staffing figures for the architects' department show that the total strength is 2,307 of whom 216 are qualified architects. The rest of the staff is made up of service engineers, surveyors and draughtsmen.

The council is not planning to allow its architects to undertake work for clients other than the council. The feeling is that they will work more effectively within the discipline of a more commercial form of management.

What are DEACON giving ALLDERS customers for Christmas 1979?



UK NEWS—LABOUR

Steel unions lukewarm on protest call

By Philip Bassett, Labour Staff

KEY TUC steel unions seem unlikely to give their support to the programme of industrial action called for by the largest union in the industry over British Steel's decision to end iron- and steel-making at its Corby and Shotton works. The Government yesterday announced that Shotton, in North Wales, which will lose 4,420 jobs in the closure, is to be made a special development area. This follows a similar recent announcement giving development area status to Corby, in Northants, where closure will mean the loss of 6,000 jobs. Mr. Nicholas Edwards, Welsh Secretary, told the Commons that he had also asked the Welsh Development Agency to spend an extra £15m over the next three to four years on factory building in the Shotton area. Its main task would be to complete work on the Deeside industrial park, and to make an early start on advance factory building. He said the status would be a "substantial benefit" with the highest rates of regional incentives available to firms. Nearly 1,000 new jobs in the Shotton area, and more than 2,000 in the nearby Exham area were expected as a result of projects planned or under way.

A rag-bag The Manpower Services Commission would set up a job centre in the steelworks, and more than 4,500 training places would be available at skill centres, colleges and companies in Clwyd, Cheshire and Merseyside. Mr. Alan Williams, Opposition spokesman on Wales, said the proposals were a "rag-bag of non-events," and other MPs doubted the likelihood of the number of jobs referred to becoming available. Key unions, including the

National Union of Blastfurnacemen and the General and Municipal Workers Union, are unlikely to give their support to the industrial action over Corby being recommended by the Iron and Steel Trades Confederation. The TUC steel committee last week refused to endorse the ISTC's recommendations, and decided instead to take them back to individual union executives. The ISTC is pressing for an overtime ban, a one-day strike, and selective stoppages.

Unlikely Blastfurnacemen at Shotton have already stated this week that they are behind BSC's proposals and want to open immediate negotiations over redundancy payments. Mr. Hector Smith, NUB general secretary, said yesterday that while he thought the Corby was not yet so definite as the Shotton members, it was unlikely that his executive would support the ISTC's recommendation. He thought his members would reject selective strikes because their work was made considerably more difficult by shortstoppages of furnaces and other equipment. Union members also did little overtime at present, so an overtime ban would have little effect.

Mr. Frank Cottam, GMWU national officer for the industry, said his members would decide on their response at a special delegate conference tomorrow. Union members are likely, though, to share worries expressed by officials that British Steel might permanently close some plants which might be shut by any industrial action. Craftsmen's representatives due to meet in Sheffield on Friday, may decide to give support to the action, though.

Fleets cuts warning to seamen

By Our Labour Staff

SEAMEN'S UNION negotiators, currently in the middle of their annual pay negotiations, were warned yesterday that if the industry's costs continued to rise through high wage settlements, there was "bound to be a further decline in the size of the fleet."

"I do beg the unions to realise what this continued falling of inflation is doing to their job prospects," said Mr. David Ropner, president of the General Council of British Shipping, in Glasgow. The council meets National Union of Seamen negotiators in London on Friday to resume pay talks. Mr. Ropner described the negotiations as "very difficult." The employers had just concluded an agreement with Merchant Navy officers which, at 17.5 per cent, was a far higher percentage than those being agreed in other contracts.

This, however, was not the end of the story. An offer of 19 per cent to the NUS had so far been rejected.

"Naturally I sincerely hope that good sense will prevail and that an agreement will be reached. But this continued escalation of costs is bound to have a further, and serious, effect on our competitiveness."

Murray warns on law change

By Alan Pike, Labour Correspondent

UNIONS WILL enlist the support of employers in an attempt to convince the Government that its proposed labour law changes will harm industrial relations, Mr. Len Murray, TUC general secretary, said yesterday.

Mr. Murray said the TUC would tell affiliated unions to point out to employers the dangers for them in Government proposals. Many employers would say they would not be affected — but there had been problems after the Conservative's 1971 Industrial Relations Act, not because employers had sought them, but because of eccentric and provocative individuals. The TUC yesterday launched the latest phase of its campaign against the law changes with the publication of a booklet Bargaining or Battleground?

The TUC booklet claims that "the Government's motive is not the promotion of industrial peace or the protection of personal freedom, it is the pursuit of political prejudice." It says the proposed changes would weaken the rights of individuals and pose major threats to the rights of workers to take industrial action. National officials of unions will be called together by the TUC in January to consider the



Len Murray and pamphlet

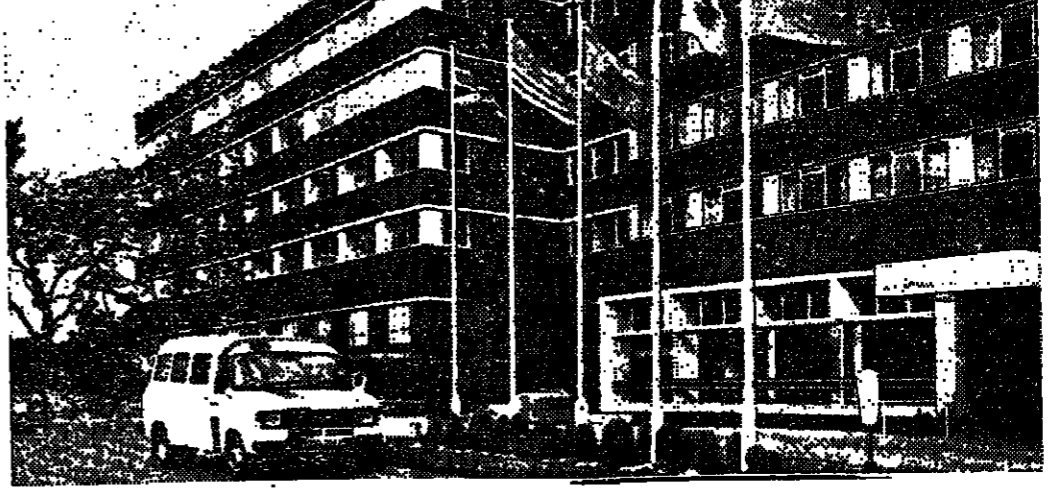
impact of the law changes and this will be followed by regional conferences and rallies.

The TUC general council has already met Mr. James Prior, Employment Secretary, to express its opposition and a further meeting is likely later this month.

Mr. Murray said the TUC was totally opposed to the proposals.

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Civil servants' walk-out closes welfare offices

By Philip Bassett

CIVIL SERVANTS throughout the country walked out of local social security offices yesterday in protest at the suspension of staff in London and Nuneaton who were banning overtime because of the Government's proposed cuts in Civil Service manpower costs.

The Department of Health and Social Security said that by lunchtime about 8,500 staff were involved. Some 190 offices were affected, with 172 closed down.

The Civil and Public Services Association and the Society of Civil and Public Servants argued that many of the union meetings against the suspensions were at lunchtime, and that the Department's figures did not therefore give the true position.

The CPSA estimated that up to 20,000 of its members were involved in the day's actions, closing more than 200 local offices. The Society said that about one-third, or 8,000, of its DHSS members took part.

The walk-outs followed the suspension of one association and one society member at the Kennington office in South London. The unions expect that another seven staff will be suspended today and one or two

more tomorrow. The staff have blacked work done by casual labour brought in to do jobs not performed by the unions because of their overtime ban. Seven staff have also been suspended at the Nuneaton office because of their overtime ban, with a further three suspensions expected tomorrow.

Officials expect the staff who walked out yesterday to return to work today.

Mr. David Heywood, DHSS assistant secretary for the Society, said that the Government had decided to provoke a confrontation with the unions over its proposed cuts of 10, 15 or 20 per cent in civil service manpower costs.

The Department of National Savings said that 128 staff at its Glasgow headquarters were likely to be suspended tomorrow if they refused to work normally. Already 207 staff there have been suspended, leading to a walk-out on Monday by 3,500 staff.

Mr. John Ward, general secretary of the Bank of England Staff Association, is to become general secretary early next year of the First Division Association, which represents 6,000 senior civil servants.

Distribution dispute costs Times 27,000 copies

By Lisa Wood

MORE THAN 27,000 copies of The Times failed to reach newsagents' shelves yesterday after 180 employees of Britain's biggest wholesale distributor refused to handle them.

Members of the Society of Graphical and Allied Trades in Peckham and Wimbledon, South London, refused to handle The Times without extra payment.

W. H. Smith, which has five wholesale houses in London, said yesterday that talks were still proceeding with the men in the two South London houses. But it was not prepared to pay the SOGAT members any extra for handling the newspaper.

Distribution problems put a hiccup in the re-launch of the newspaper which reported more than 90 per cent of sales of its print-run of 452,000 which was 50 per cent higher than normal. The Times Higher Education Supplement and The Times Education Supplement, are scheduled to reappear this Friday.

A Times official said the first issues had received heavy bookings from advertisers. He did not believe the two specialist supplements would suffer from inroads into the market made by The Guardian.

New code aids worker links

A NEW British Institute of Management publication on employee participation has been sent to the 500 largest private-sector manufacturing companies in membership of the Institute.

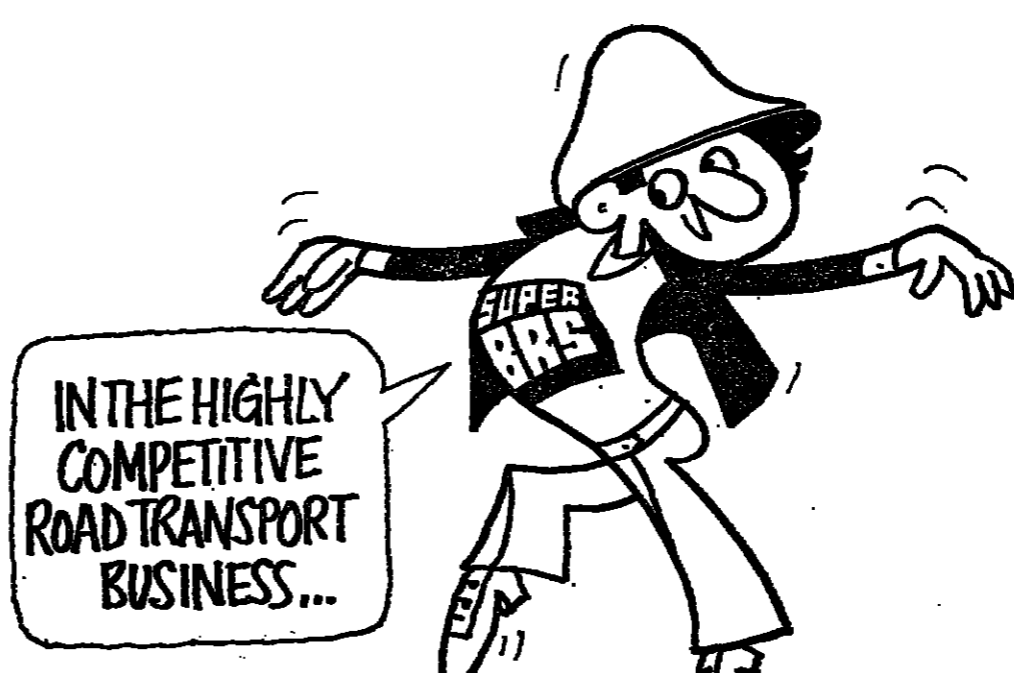
The code emphasises that communication and participation are a two-way affair.

Hospital strikers told to go back

THE AMALGAMATED Union of Engineering Workers' executive yesterday instructed its members on strike at the Charing Cross Hospital, London, to resume work.

Its statement said: "No matter what problem exists in the hospital, we should make every attempt to resolve it without any unnecessary hardship to the sick and disabled patients."

The union told striking engineers that they should resume normal working immediately in an attempt to resolve the dispute under normal dispute procedures. If the engineers refuse to obey the instruction, the hospital could run out of heating oil by the end of the week.



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Carrington hints at Muzorewa deal

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

HINTS WERE given by the Foreign Secretary last night that the Government may consider doing a separate deal with Bishop Muzorewa if the Patriotic Front does not reach agreement at the Lancaster House talks.

"We want and shall continue to strive for a settlement involving all the parties," Lord Carrington told the House of Lords.

"This would be the surest guarantee of an immediate end to the war. But, if this is not attainable, we cannot allow the best to become the enemy of the good."

In defence of the Government's two-day deadline for agreement, he said that the conference had now reached a critical point. It would be misleading to suggest that any useful purpose would be served by delaying the moment of decision.

"With an agreement already reached on genuine majority rule, and an end to the rebellion against Britain's authority, there can be no turning back," he emphasised.

The Foreign Secretary also indicated that the Government

had gone as far as it was possible to go in making compromises during the negotiations. The proposals now on the table were the only basis for agreement.

During the passage of the Southern Rhodesia Bill in the

Commons on Monday, the Opposition repeatedly expressed fears that the Government intended to implement the legislation, even if there was no agreement with the Patriotic Front.

Labour was worried that, if a British Governor were put into Salisbury without all-party agreement, then he could find himself using British troops in a war against Patriotic Front guerrillas.

Labour had repeatedly questioned the Government about apparent discrepancies in what

Lord Carrington had said on this point and what had been said by Sir Ian Gilmour, the deputy Foreign Secretary.

Dealing with this in the Lords yesterday, the Foreign Secretary declared: "The Governor will go out to Rhodesia as soon

as a cease-fire is arranged. "Naturally, if an agreement is not reached, the Government will have to reconsider the position in the light of what has happened at the conference and the responsibility for the deadlock."

From the Opposition front bench, Lord Elwyn-Jones voiced suspicions that the Government might be acting in a state of despair and contemplating a second-best solution with a bilateral deal with Bishop Muzorewa.

The exchanges came during the Lords' second reading debate on the Southern Rhodesia Bill, which enables the Government to return Rhodesia to legality by the appointment of a British Governor in Salisbury.

Labour moved an amendment

ment exists. The proposals which the Government has laid before the conference represent what we believe to be fair to all the participants.

"Because one side has accepted them does not mean that the bargaining should now start once more to shift the balance to a point halfway between the proposals now on the table and the position taken by the Patriotic Front."

"That would represent a very fundamental miscalculation of the nature of these negotiations."

The British offer was a good one and the best that could be negotiated.

"Prevarication and postponement will not improve it," he stressed. "Indeed, the achievements of the conference will be jeopardised if the present momentum is lost."

To have renewed Section Two sanctions would have been churlish and petty, and an extraordinary way to acknowledge the concessions that had been made so far at Lancaster House. He envisaged that Britain would be in a position to lift all sanctions in "a very short period."

Prevarication & postponement will not improve the British offer. Indeed, the achievements of the conference will be jeopardised if the momentum is lost.

Healey baits PM over higher interest rates

BY PHILIP RAWSTORNE

THE Prime Minister was accused, amid uproar in the Commons yesterday, of proposing tomorrow to saddle the country with the highest interest and mortgage rates in British history.

Mr. Denis Healey, former Labour Chancellor, anticipating a rise this week in Minimum Lending Rate, led a fierce Opposition attack on the Prime Minister.

Mrs. Thatcher retorted defiantly that the Government's

sustained programme of public spending cuts was the right way to tackle the country's economic problems.

"We cannot go on spending money which the nation does not earn," she declared.

Mr. Healey recalled caustically that Mrs. Thatcher had described a 14 per cent interest rate as "an intolerable burden" on home buyers and small businesses.

Would she explain to the National Economic Development Council—at which she is

to take the chair on January 9—how industrial performance was to be improved?

Mrs. Thatcher had already given the country its highest inflation and its lowest output, he said. Now she proposed to go further and saddle it with the highest interest and mortgage rates in history.

Amid cheering and jeering from the backbenches, Mrs. Thatcher snapped: "You still hold the record for the highest inflation rate."

If Labour's planned levels of

public expenditure had been maintained interest rates would have been "right up" and inflation next year higher.

"If we are to get interest rates down, we must get public expenditure down as a proportion of national income," she said.

Mr. Healey replied: "Are you telling us that next year public expenditure will be a lower percentage of gross domestic product?"

"If so, your view is not shared by anybody in the country."

Mrs. Thatcher rejoined that Mr. Joel Barnett, Labour's former Chief Secretary, had pointed to be problem. "We have to face the unpalatable fact that with, at best, low rates of economic growth, and at worst, nil growth or negative growth, public expenditure cuts will be necessary."

Challenged again by Mr. Healey, she added: "We are embarking on a sustained programme of trying to get down public expenditure. That is the right programme for Britain."

Roger Taylor

RECEPTION COMMITTEE: Mrs. Margaret Thatcher, Mr. William Whitelaw and Lord Carrington wait to greet President Suharto of Indonesia

Mrs. Thatcher returned

RECEPTION COMMITTEE: Mrs. Margaret Thatcher, Mr. William Whitelaw and Lord Carrington wait to greet President Suharto of Indonesia



Problems of textiles industry 'exaggerated'

BY IVOR OWEN

BRITAIN'S clothing manufacturers were last night urged by Mr. Cecil Parkinson, Minister of State for Trade, to become more competitive and accept that consumer interests will require greater consideration in future negotiations over low cost imports.

He accused Opposition leaders in the Commons of exaggerating the difficulties now faced by the woolen and textile industries. He rejected a demand by Mr. John Silkin, Labour's shadow Industry Minister, that the Government should consider taking unilateral action to restrict imports of U.S. man-made fibres.

At the same time, Mr. Parkinson criticised the delay by the EEC Commission in establishing whether unfair competition was being caused by U.S. man-made fibre imports.

He promised that the issue will be taken up again as a matter of urgency at next week's meeting of the EEC Council of Foreign Ministers.

Britain was also pressing for an early conclusion to the investigations by the EEC Commission into wool textile exports from the Prato region of Italy.

Mr. Parkinson highlighted the need to take greater account of consumer interests when making it clear that the Government intends to negotiate successor arrangements when the present Multi-Fibre Agreement ends in 1981.

While reaffirming that the Government would seek action by the EEC Commission when unfair competition could be established, he insisted that the clothing and textile industries were losing ground to some com-

petition, which it ought to be able to beat. Action was needed from within the industries themselves to improve productivity, the quality of output, standard of design and the ability to meet delivery dates.

The Government could not do the industry's job, Mr. Parkinson declared: "Whether we like it or not, we live in a harsh competitive world and we will not reverse our industrial decline if we permanently shelter the textile or any other industry from these realities."

Mr. Silkin maintained that Britain's wool and textile industries were facing a crisis which was in danger of developing into something of the nature of a catastrophe.

Some of the problems were the direct result of Government policies particularly the Budget increase in VAT to 15 per cent and the changes in regional policy.

Mr. Silkin likened the problems of the wool and textile industries to those of the steel industry—they were facing a series of Corbys and Shottons.

If the present trend continued there could be a loss of 52,000 jobs in West Yorkshire alone.

Mr. Silkin pressed for a renewal of the Multi-Fibre Agreement and warned that unless early steps were taken the present arrangements would fall into disuse in a very short time indeed.

Mr. David Trippier (C Rosendale) criticised the policy of the Government and that of its Labour predecessor. "Neither side has anything to boast about and both have a great deal to be ashamed of," he said.

Thatcher expects 'difficult' summit

By Ivor Owen

THE Prime Minister expects tough bargaining at the EEC Summit in Dublin later this month. She reiterated that Britain's net contribution to the Community Budget must be substantially reduced.

She was quite prepared for a "very, very interesting and very difficult" meeting with the other EEC Heads of Government, she told the Commons.

Amid cheers from both sides of the House, she declared: "We cannot go on next year—1980-81—making a fifth net contribution in Europe."

"We just cannot. It is unfair and it is inequitable."

In reaffirming Opposition support for her headline approach, Mr. Peter Shore, Labour's Shadow Foreign Secretary, warned her against backing down after all the buildup of recent weeks.

Britain's reputation for meaning what it said would be at stake, he stressed, and not just Mrs. Thatcher's personal prestige.

He urged her to make it clear that she meant what she had been saying so that there could be no retreat in Dublin.

As backbench anti-Marketiers roared their approval, Mr. Shore added that if Mrs. Thatcher needed any help in carrying out the meaning of her words she need look no further than the Labour benches to find it.

Mrs. Thatcher replied coolly: "Thank you—I think I prefer more faithful allies."

Mr. Ron Leighton (Lab, Newham NE) complained that the invisible earnings made by the City of London through banking, insurance and other services, and which in the past had so often come to the rescue of Britain's balance of payments, would be "wiped out" this year by Britain's outside contribution to the EEC.

Mrs. Thatcher rejected a call for a second referendum to give the British people the opportunity to say whether they wished to withdraw from the EEC.

She stressed that a substantial reduction in Britain's net contribution to the Community Budget would have the double effect of helping to keep down public expenditure.

Richard Evans writes: The Government is making it clear in the run-up to the Dublin Summit that the objective remains to achieve a broad balance in Britain's contributions to the European Community Budget in the foreseeable future.

It was stressed yesterday that the Prime Minister's reference to "substantial reductions" did not herald a weakening of Britain's negotiating position.

It is claimed that so far the whole Community has accepted that a genuine problem exists and must be solved at some stage if the Common Market is to regain its political unity.

British Ministers will press hard in the meetings prior to the summit for greater support for reform of the Budget, but there is no clue on how the Government will react should the discussions fall to make sufficient progress.

The Prime Minister has said she would be unwilling to go outside the rule of law to make Britain's case more effectively, but she would be under enormous political pressure at home to achieve a satisfactory conclusion.

Labour leaders are already preparing the ground for a major attack on the Prime Minister should she fail to achieve a balance in the Budget contribution at Dublin.

Edwards outlines aid for Shotton

SHOTTON is to be made a Special Development Area following British Steel's decision to close iron and steel making there. Nicholas Edwards, Welsh Secretary, announced in the Commons yesterday.

He has also asked the Welsh Development Agency to spend an extra £1m over the next three or four years on factory building in the area.

"A substantial effort will be required to attract new business into the area and encourage existing businesses to expand," Mr. Edwards told MPs.

The highest rates of regional incentives would be available to companies and contingency plans from the Manpower Services Commission would come into immediate effect, including a Jobcentre in the steel works.

More than 4,000 training places would be available at Skillcentres, colleges and companies in Cwyd, Cheshire and Merseyside.

Mr. Edwards estimated that nearly 1,000 new jobs were expected in the Shotton area and more than 2,000 in the Exham area as a result of

projects planned or already under way.

Communications in the Shotton and Deeside area would be improved substantially by Department of Transport and Welsh Office trunk road schemes.

Opportunities would also be taken to upgrade communications between Shotton, Wrexham and the Midlands.

The main task of the Welsh Development Agency would be to complete work on the Deeside Industrial Park and to make an early start on building advance factories in the area affected by the Shotton closure.

"I am therefore making additional resources available to the agency," Mr. Edwards said.

"Meanwhile, I am asking the agency to plan its provision of sites and factory space on the basis of further expenditure of up to £1m over the next three or four years."

Mr. Alec Jones, Opposition spokesman on Wales, warned: "If 7,000 unemployed Shotton steelworkers join the dole queue next March, the Government will bear the ultimate responsibility."

We're now in the process of sending out the overdue phone bills. Some of you may have already received one.

But it may help you budget to know what you'll be paying. Your first bill will arrive some time before the end of January. It will cover up to nine months' calls (which brings you up-to-date on them) and six months' rental.

The other three months' rental will be added

to your next phone bill, making six months' rental in all. This will be sent out before the end of April. By which time things should be back to normal.

Obviously, we realise it's not going to be easy catching up. But it may help if you stick away some of our telephone stamps for the rainy day.

Post Office Telecommunications

What are DEACON giving ALLDERS customers for Christmas 1979?



What gives the new Citroen Reflex such remarkable figures?

The answer lies hidden under the bonnet.

Open her up, and you'll find a powerful new 2-litre overhead camshaft engine which delivers effortless acceleration up to 109 mph and outperforms virtually all its competitors.

Yet incredibly, although the Reflex is so quick, its performance is matched by equally outstanding economy.

The ultra-modern new engine, combined with Citroen's aerodynamically incomparable bodyline, produces fuel consumption figures which are amazingly well suited to the energy-conscious Eighties:

35.8 mpg at a constant 56 mph; 29.1 mpg at a constant 75 mph; and 23.5 mpg in the urban test.

Despite its economy, however, the Reflex has all those touches you would expect of a much more highly-priced luxury saloon.

And once you get behind the wheel, you'll discover that unique feel which keeps Citroen miles ahead in terms of comfort, driving pleasure and safety.

Self-levelling hydropneumatic suspension gives the smoothest ride on the roughest roads, and reacts to a high-speed blow-out as if nothing has happened.

Front-wheel drive and VariPower steering, which becomes progressively firmer with speed, ensure rock-solid roadholding and handling.

All the same, the figure that makes for the best reading is undoubtedly the price: just £5697.

The Athena, which is the same car but with a 5-speed gearbox for even greater economy and acceleration, plus several added luxuries, carries the equally conservative price-tag of £6229.

The new Citroen Reflex.

We couldn't improve her looks, so we improved her figures.

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109 MPH.
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£5,700



THE NEW CITROËN REFLEX 2 LITRE.

How Sony brought the McDonald's hamburger safely across the Atlantic.



Manhattan

on American U-matics to be played back on any U-matic anywhere in the world.

Training their staff by U-matic has contributed to McDonald's success in Britain.

In October 1974 they had one restaurant. Today they have 34.

But training the British to make hamburgers is only one application of the U-matic system.

Companies like BP, Rank

Xerox, and ICI have found different uses.

If you would like to find out how U-matic can be of use to your company fill in the coupon.

Bill would love to hear from someone who'd like to take Black Puddings safely across to New York.

To: Bill Rowland, Sony (UK) Limited, Commercial and Industrial Division, Pyrene House, Sunbury Cross, Sunbury-on-Thames. Tel: Sunbury-on-Thames 89581. Please tell me more about the Sony U-matic system.

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Company _____
Address _____

SONY.

Walk into a McDonald's in New York and you know what to expect.

Exactly the same hamburger you enjoyed in New Jersey.

This reputation for consistency has built McDonald's into a business with a turnover in excess of \$4,500M.

It was a reputation McDonald's weren't about to put at risk when they opened their first restaurant in London.

Let's face it, as they did, we British are not renowned for our expertise at making hamburgers.

Which is why McDonald's install Sony U-matics in every restaurant they open in Britain.

Everyone who works in them is trained on a Sony U-matic system using thirty-one video tapes made in the States.

Two of the tapes introduce new staff to the company. The rest instill the British with the skills that make a McDonald's a McDonald's and not just a hamburger.

Training their staff by U-matic has three main advantages for McDonald's.

Firstly, training sessions are easy to organise because the U-matics are in situ.

Secondly, many of their staff are in their late teens and learn more readily from a TV screen.

Thirdly, as a major multinational company with over 5,500 restaurants around the world, they can take full advantage of the U-matic Triple Standard playback facility.

This allows video tapes recorded



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APPOINTMENTS

New director for Harrisons & Crosfield

Mr. M. J. Hadley has been appointed a director of HARRISONS AND CROSFIELD. Following his appointment as a group managing director of the Royal Dutch/Shell Group of Companies, Mr. W. C. Thomson will be resigning from the board of CARRINGTON VIVELLA on December 31.

Mr. Christopher Rashbrook has been appointed managing director of COUTTS AND CO.'s new representative office in Winchester. Mr. Michael Smith becomes his deputy.

Mr. John Matthews has been appointed divisional finance director, and Mr. Graham Burgess, divisional personnel manager, of GARTON SONS AND CO., a member of the Garton Group and a division of Tate and Lyle Food and Distribution. Mr. Matthews was previously with Continental Oil Company, London, and Mr. Burgess was with Eps, Banbury.

Mr. E. Grima, a director of Electronic Rental Group company RELAYVISION/HUBBARDS, has been appointed to the newly-created post of commercial director. He will be responsible for business property acquisitions on behalf of the electrical retail/rental company.

Mr. Jim Simpson has retired from the board of WALTER LAWRENCE and has given up all other group appointments because of ill-health.

Mr. Angus Andrews has been appointed by the TEES AND HARTLEPOOL

AUTHORITY as director, Tees Docks, and he will join the Authority on December 1. Mr. Andrews will succeed Mr. Stan Wright, who is retiring on January 31, 1980.

Mr. John Arnold, assistant managing director of the Wrigley Company, Plymouth, has been appointed assistant vice-president personnel for WRIGLEY at the group's headquarters in Chicago.

Mr. D. N. Hookway, Saunders Valve, has succeeded Mr. S. F. Moore, Metro-Flex (UK), as chairman of the BRITISH VALVE MANUFACTURERS' ASSOCIATION. Mr. G. Hanson, Pegler-Hattersley, has been appointed vice-chairman of the Association.

Mr. Stefano Sebastiani, is to be general manager of the BERKELEY HOTEL, Knightsbridge, from December 1, in place of Mr. Charles Forman, who retires from that position at the end of this month, but will remain a director of the hotel. For the past 12 years, Mr. Sebastiani has been at the Grand Hotel, Rome, where he became assistant manager.

Sir Max Bemrose will retire for health reasons as a non-executive director of the BEMROSE CORPORATION with effect from November 30. Sir Max became a director of the group in 1958, and was chairman for 25 years until he retired from that position at the end of May last year.

LLOYD'S REGISTER OF SHIPPING has made the following senior appointments at its London headquarters: Mr. G. F.

Smalley as deputy chief engineer surveyor in succession to Mr. E. Howey, who retires next January; and Mr. D. Beattie, who becomes assistant to the chief surveyors and senior principal surveyor in charge of the research and technical advisory services department.

Mr. Randle H. Cooke has become a director of CHRISTOPHER TILLY AND ASSOCIATES.

Mr. P. C. Taylor has been appointed a director of the COMMERCIAL METAL COMPANY.

Mr. M. B. Howwell, at present a property controller, has been appointed investment manager (property) of the CO-OPERATIVE INSURANCE SOCIETY from February 11, 1980. He will succeed Mr. H. Bradbury who is retiring.

Mr. Allan R. Best has been appointed a director of SAC BRISTOL.

Mr. Derek Stryer has joined the Wigham Poland Group as a director of WIGHAM POLAND PROFESSIONAL INDEMNITY. Mr. Kevin A. Girling has become a divisional director of Wigham Poland Reinsurance Brokers.

Mr. Chris Chaplin has been appointed marketing director of STONEHILL FURNITURE (Stonehill Holdings), following the retirement from the board of Mr. Ronald Boss, who continues with the company. Mr. John Harding has become works director, reporting to Mr. John Lipert, production director.

Mr. Frank J. Zeman has been

appointed vice-president international by the GLENDINNING COMPANIES, of Westport, Connecticut. Mr. Zeman is the managing director of Glendinning Associates International, based in London.

Mr. C. T. Hackett, former vice-president and general manager of the IMPERIAL LIFE ASSURANCE COMPANY OF CANADA, has retired from the main board because of ill health. He will continue as a director of Castlemera Properties (Holdings), an associated company.

Mr. Ralph Kratschmer has been appointed technical director and general manager of TECHNICAL MARKING SYSTEMS, Sheffield.

Mr. Michael Burmester has been appointed senior liaison officer to the NATIONAL WESTMINSTER BANK GROUP in Handelsbank NW, the Zurich based bank in which NatWest has a substantial participation. He succeeds Mr. R. A. Churchward, who has retired.

Mr. Michael Salter has joined the board of EALBY AND HINDMARSH ASSOCIATES, of Alderley Edge, Cheshire.

Mr. H. M. Grace is to become managing director of the PEGLER-HATTERSLEY group from January 1, 1980. He will succeed Mr. A. L. Louder, who will remain on the board as a non-executive vice-chairman. At the same time Mr. K. Blair will be director of UK operations, and Mr. N. Inman joins the finance director in succession to Mr. Grace.

Mr. E. G. Campbell has been appointed president of BONAR AND BEHNS and BONAR PACKAGING, the two major Canadian packaging subsidiaries of the Low and Bonar Group, Dundee. Mr. Campbell, previously senior vice-president, succeeds Mr. R. D. Wang, who has left the companies. Mr. W. S. Moffat has become vice-president (finance) and secretary of both concerns.

BRITANNIA FINANCIAL SERVICES has opened a branch office at 1, Athol Street, Douglas, Isle of Man, and Mr. Stewart Jamieson and Mr. George Stephens have been appointed local directors.

Mr. William N. Gagnon has been appointed vice-president and general manager of the newly-created international division of DOMINION TEXTILE INC. Mr. Philippe Comte has become director-general of DEL Industries Europe S.A., a subsidiary.

Mr. Dermot H. de Trafford has been appointed to the Boards of BANQUE BELGE COMPANY and BELGIUM AND GENERAL INVESTMENTS.

Mr. Robert Rampton is to retire from the Board of FREE MANS (LONDON, SW7) at the end of the company's financial year on January 28, 1980.

D. E. C. Wedderburn have been re-appointed for a further term of three years to that date. Professor Cheekland is professor of economic history at the University of Glasgow. Professor Sloane is head of the economics and management department of Paisley College of Technology; and Mr. J. Gestetner is the joint chairman of Gestetner Holdings.

Pullman Kellogg post



Mr. Charles E. Scholer has been appointed vice president of the Pullman Kellogg division of PULLMAN INCORPORATED. He will have sales responsibilities for North America.

Mr. E. J. Goett, president and chief executive officer of ICI AMERICAS INC., will retire from the company on March 31, 1980, and will relinquish his executive responsibility on February 29, 1980. From March 1 next year, Mr. R. F. Barnett will succeed Mr. Goett as president and chief executive officer of ICI Americas Inc. Mr. D. R. Zeidler, chairman and joint managing director of ICI AUSTRALIA, is to retire on March 15, 1980. The Board of ICI Australia has elected Mr. M. D. Bridgland to be chairman in succession to Mr. Zeidler. Mr. Bridgland will continue to be a joint managing director of the company.

The Secretary for Education and Science has appointed three new members to the SOCIAL SCIENCE RESEARCH COUNCIL until September 30, 1982. They are Professor Sydney G. Cheek and Professor Peter J. Sloan and Mr. Jonathan Gestetner. Mr. D. Brooks, Mr. E. J. D. Cole and Mr. James Dunnett and Mr.

The Minister of Transport has appointed Mr. Robert Perkins as chairman of the HARVIC HARBOUR CONSERVANCY BOARD for three years from January 1, 1980, to December 31, 1982. Mr. Perkins, who has been a member of the Board since January, succeeds the present chairman Lord Walston, whose appointment expires at the end of the year. Lord Walston has been chairman since August 1975. The Minister has appointed Mr. C. E. Hanson as trustee of the BRITISH MUSEUM (NATURAL HISTORY) on the expiry of the terms of office.

Mr. Alan J. Grice has been made a director of MUNICIPAL PUBLICATIONS.

This announcement appears as a matter of record only.

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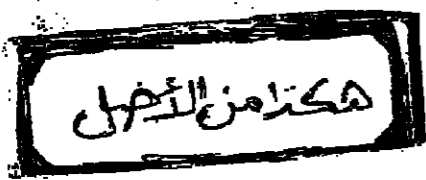
Every day Times correspondent Frank Vogl spends his time getting behind the famed closed doors of that city.

And every day he sends The Times Business News his report.

From a breakdown of President Carter's latest anti-inflation programme to discussing the most inflammatory of the Senate debates, from studying growth industries to commenting on the ever-fluctuating Wall Street, Vogl brings you all the news that's likely to affect the western and U.K. economy.

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US\$ 20,000,000

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U.S. DOLLAR CERTIFICATES OF DEPOSIT
DUE NOVEMBER, 1981

In accordance with the provisions of the Certificates, notice is hereby given that for the Interest Period from 9th November, 1979 to 9th May, 1980 the Certificates will carry a rate of interest of 15.9/16% per annum.

Agent Bank
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9th November, 1979

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U.S.\$15,000,000
8% per cent Bonds 1984

NOTICE IS HEREBY GIVEN to all bondholders of the above-captioned issue that:

(1) For the purchase year ended 15th October 1979, the aggregate principal amount of Bonds arising from purchases made pursuant to Clause 4(c) of the Conditions of the Bond and from acceptance of Bonds surrendered pursuant to the Purchase Agency Agreement is U.S.\$2,000,000. The deficiency of U.S.\$225,000 in respect of the purchase year ended 15th October 1978 has also been satisfied.

(2) Morgan Guaranty Trust Company of New York, Paris has been appointed a paying agent.

THE DEVELOPMENT BANK OF SINGAPORE LIMITED

14th November 1979

THE ARTS

Television

Careless talk... and Reggie

by CHRIS DUNKLEY

It is sad that we shall not be seeing Reginald Bosanquet on ITN any more. His manner is entirely different from the conventional style of British news reading which was built up in the early years of BBC radio and which can only be found today on the excellent World Service and on television (with slight modification) when Kenneth Kendall does the job.

What is rather worrying is the possibility that the sturdy BBC news which made Reggie's alternative possible may be disappearing. The BBC's worldwide reputation rests, above all, on its rule of retelling facts: no hearsay, no rumour. In many countries even today people wanting to know whether something has occurred ignore their own national news service and wait for ours; when the BBC says something has happened, then they believe it really has, but not until then. (And that is why the proposed cut in the Government's grant-in-aid to the BBC's external services is so appallingly short sighted.)

Yet recently BBC television news in Britain abandoned this admirable policy and broadcast the rumour that Leonid Brezhnev was dead. They admitted that the reports were "unconfirmed," but spread the rumour nonetheless. It was just one example of a worrying casualness which seems to be pervading BBC news. It is not a question of casual dress, though some viewers will certainly have disapproved of Christopher Morris's baby-blue jacket on Saturday. More important was the fact that the news started not at 9.00 as advertised but at 9.03.

During his reading Morris pronounced "inventory" with the emphasis on "vent." There is hardly a reporter left on BBC news who understands the difference between "less" and "fewer," and at least one confuses "rapidity" and "frequency." Of course language is always changing, but because of its need and reputation for accuracy BBC news has in the past been a good place to find precise usage. The disappearance of that precision will be even more sad than the disappearance of Reggie.

My own rule for deciding whether linguistic changes are to be welcomed or resisted is to ask "Does this change enrich or impoverish the language?" For example the current use in so many programmes of "viable" to mean "profitable" or "feasible" is an impoverishment because we lose the original meaning of "viable" which has no synonym and gain only vagueness. The current use of "escalate" to mean an increase by leaping progression is an enrichment since its old meaning was practically useless and no other single word expresses its new meaning.

Under a similar rule of thumb applied to pronunciation Peter Ustinov needs castigating for his presentation of Friday's BBC-1 programme Nuclear Nightmare which achieved the amazing feat of making a 90-minute consideration of Armageddon narcotically tedious. Ustinov talked about Russian missiles, Brazilian missiles, long range missiles, and most sinister of all, missiles which bring down two El Al airliners. Given its proper English pronunciation "missile" cannot be confused with a prayer book or anything else and is therefore clearly preferable.



Stephen Garlick and Gerry Cowper in 'Two People'

Festival Hall

Barenboim

by DOMINIC GILL

After Jorge Bolet's extraordinary recital on Sunday reviewed here by David Murray, anything but the most sublime piano playing would risk sounding half-focused, half-alive. But such was the force of Daniel Barenboim's musical presence the next evening that he could transport us directly from Bolet's magical sound-world, without the need for any major suspension of disbelief, into his own.

It took a little while, all the same. Barenboim began his Beethoven programme — the second of six recitals between now and February in the Festival Hall at which he surveys "Great Masterpieces of the Keyboard" — with performances of the Patheque and Appassionata sonatas that were really no more than play-throughs. They were thrown off to be sure with the facility of a genius; but lacked all manner of close magnification, scrupulous attention. There were some splendid flashes of fire in the Appassionata's first movement, and noble things in its andante; but the playing was principally to the gallery. It would have been agreeable to report that Barenboim is one of the very few pianists who observe the vita non troppo marking of the Appassionata's finale; but he is not.

His closest attentions he reserved for the Diabelli Variations in his second half. It was not a perfect performance by any means, but of its sort the purest Barenboim — an exciting, maddening mixture of inspired excellence and carelessness which by sheer force of imagination, and if you like of elemental genius, captures the heart. One was tempted to guess which variations he had practised most carefully, most recently. Not, perhaps, Nos. 5 or 13; or No. 30, whose effect was bland; the huge rickado in its last bar disconcertingly vulgar? I found the very whimsical treatment of the great large variation No. 31 also oddly unconvincing.

BBC Radio drama appointment

John Tydemann has been appointed assistant head of BBC Radio Drama from December 1. He has been a radio drama producer for the past fifteen years.

King's Head

Nashville

by MICHAEL COVENEY

I have always thought that it was the business of the theatre critic to tell actors how to go about their jobs, not show them. But what is this? There is a defector in the ranks. Robert Cushman, of The Observer, not satisfied with having devised and compiled a thoroughly entertaining Ogden Nash evening, has found himself a white tuxedo and taken to the stage. Not satisfied even with that, nor even with his self-appointed role of compère and potted Nash biographer, he quite recklessly throws himself upon our mercy as a singer. To cap it all, the man actually dances. Now Mr. Cushman, if he will forgive me saying so, is not one of Nature's Fred Astaires. But show me a theatre critic who is. Until you find one, Mr. Cushman must stand unchallenged as the best, or rather the only, singing and dancing member of the Critics' Circle.

Against a pink cut-out Manhattan skyline, the show is a generous celebration of Nash, the self-deprecating but highly accomplished word-monger who would sacrifice metre, rhythm (and, as Mr. Cushman says, probably his own grandmother) for the sake of a good rhyme. It is a joy, of course, to hear the short, snappy stuff — and the "Animal" verses are given in Vernon Duke's delightfully wistful musical settings — but even better to hear actors cutting a confident swathe through more meandering complexities to hit on that all-important rhyme. Mr. Cushman is superbly abetted by Christopher Benjamin, who is entrusted with the poetry of Nash in mock-billious middle-age; by Leueen Willobushy, a skit-posed Willie Andrews flower with the lurking bite of an ovidious serpent; by Bryan Murray, in striped blazer, or a shoulder-shrugging romantic on the cocktail circuit.

Dominion

Manhattan Transfer

by ANTONY THORNCROFT

Manhattan Transfer are perfectionists and, in the past, they are and devotion they put into their songs — into the harmonies, the movement, the costumes, the presentation, made them one of the great visual and musical attractions of the entertainment world. While most artists make you wish you had stayed at home and listened to the record Manhattan Transfer, live, make their albums look like boring discs of black vinyl.

Vogue black and white and showing off Cheryl Bentyne who has replaced Laurel Masse. The new scatty "Birdland" was followed by group standards like "Java Jive" and "Chanson d'Amour." Along with "Doodling" and "Four Brothers" there was rather too much vocal gymnastics, with mannered interpretation of undistinguished melodies. Then suddenly there was a splendid version of "Where did our love go" and you wondered why there was not more rock pastiche in the act.

The second half was more infuriating. It began interestingly with a nightmare sequence, Janis Siegel sprawling in glamorous nightmare and being roused into an exciting version of "In the twilight." But then, suddenly, the group had disappeared and there was a tediously extended solo by the band and an untuneful characterisation by Tim Hauser as a cool cat. This was, of course, just a lead up for Alan Paul to do his brilliant young stud act and by the end the audience was happy as Man Tran moved into their Fifties routine.

Cheryl Bentyne is still playing herself in and there is so much that is splendid about Manhattan Transfer, in particular the dramatic routines, that it would be a pity if they blind-alloyed themselves down a heavy Forties jazz approach. They are best when they roam around the universe of popular music and take themselves as lightly and heartily as their songs.



J. Smith and David Peck in 'Gal Young Un'

New York Film Festival

Finding a new role

by FRANK LIPSIOUS

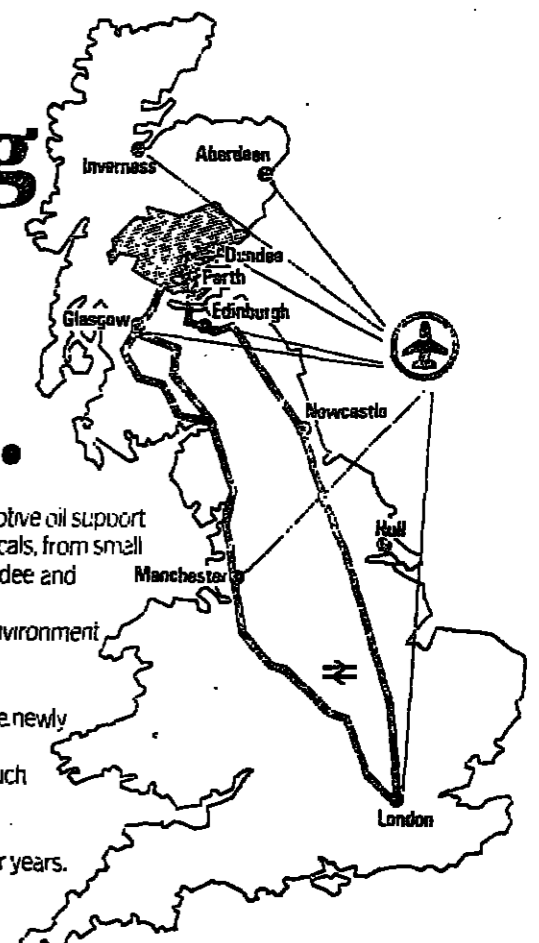
The New York Film Festival has been like an unwise philanthropist who gives away all his money and then has to depend on the largesse of his beneficiaries. The festival's wealth has been the stockpile of European films that never crossed the Atlantic to the States. In the festival's small office next to the screening space in Lincoln Centre, Richard Roud, the festival director, ticks off the names of European directors who were first shown in the new world at a festival performance.

The proliferation of art cinema on the fashionable east side of New York is part of the festival's legacy. Most films now go directly from a festival performance to an east-side commercial run. Two new cinemas have opened in the last fortnight, and with the continuing trend to chop up one small cinema into two tiny ones, there seems no limit to New York's appetite for love stories with subtitles.

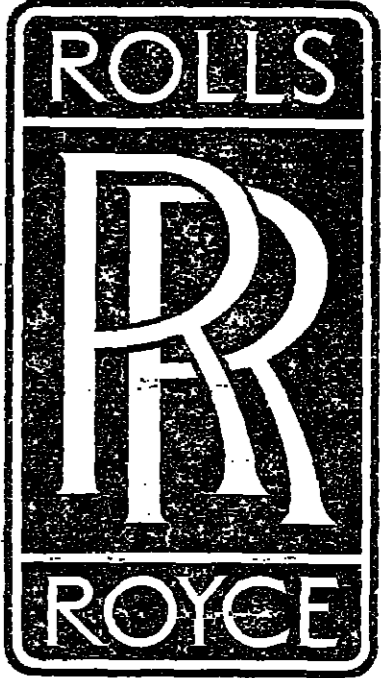
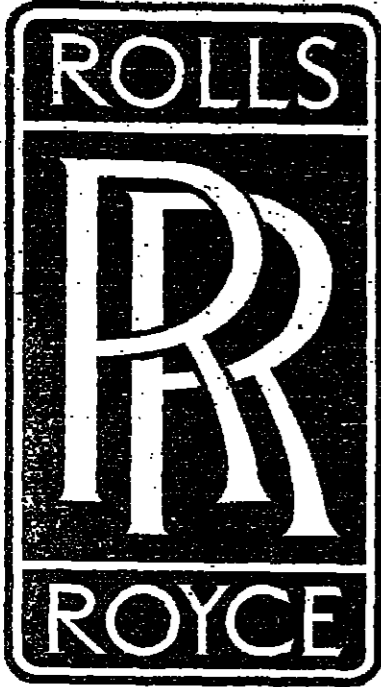
As complaints about the festival increase, either for delaying films' arrival in New York or relying on their old stand-bys, it seems it has outlived its usefulness. But the festival this year might have stumbled upon a new role for itself — one that would be as exciting and important as its original one. Preceding the festival premiere was a week of American independent film screenings, sponsored in part by the New York Film Festival and in part by the Film Fund, a philanthropic agency doling out about \$200,000 a year for American independent films and slide shows. Of the 15 films shown in the mini-festival, which were new, but they made the biggest impact of the whole festival — new, old, European or American.

Oil related companies setting up in Scotland should head for the Middle East.

Of Scotland, of course! Because there you'll find the Tayside Region, home of quite a number of perceptive oil support companies as well as a broad spectrum of business from light engineering to pharmaceuticals, from small entrepreneurial businesses to giants, like General Accident in Perth, Low and Bonar in Dundee and Halliburton in Angus.



Advertisement for Armagnac featuring a large graphic of a glass and the text 'Fagin gave generously for one. Armagnac Brandy so elusive, you darent miss the chance of a glass.'



Once you've driven a Rolls-Royce...

THERE ARE TODAY two major companies bearing the names Rolls-Royce. Rolls-Royce Limited is owned by the Government through the National Enterprise Board and is in business to make and sell gas turbine engines for aircraft and other applications.

Rolls-Royce Motors Limited is an amalgamation of the car and diesel engine interests of the original company which were separated after the financial collapse of 1971 and floated on the London Stock Exchange by the Receiver.



Mr. Peter Vinson, Managing Director of the Diesel Division of Rolls-Royce Motors Limited.

Much of the confusion which arises over the difference between the public sector aero engine company and the private sector car and diesel engine company undoubtedly arises from their use, not only of the same name, but also of the same trade marks. Agreement was reached at the time of the flotation of Rolls-Royce Motors that the new com-

pany could continue to use the Rolls-Royce trade marks on the products which had been manufactured by the Car and Diesel Divisions before 1971.

Rolls-Royce Motors today comprises three main operations - the Car Division which builds Rolls-Royce and Bentley motor cars and markets them in the U.K., the International Division which sells these motor cars in all export markets, and the Diesel Division.

The Diesel Division is divided into two parts; that which is concerned with diesel power for civilian applications and a Military Engine Division which was set up specifically to deal with the highly specialised military side of the company's business.

Rolls-Royce Motors Diesel Division swept steadily forward after the public flotation as it exploited various segments of the expanding market for diesel engines.

Booming business

There are two main markets for the commercial diesel engines built at Shrewsbury, automotive and industrial. It is no secret that, at present, the truck engine business is booming and Rolls-Royce Motors are profiting from this sector of their business. Equally well known is the slump in the world demand for generator sets which has had a significant effect upon the Division's production of engines.

The effect of the reduction in generator set business has been compounded by the cancellation of a major military engine contract after the fall of the Shah of Iran. Although the total diesel business had spread its risk across these three market segments, the decline in one, and the loss of another will obviously make a severe dent in the Division's total turn-

If you ask an average member of the public what the name Rolls-Royce means to him, he will probably call to mind three things: the best car in the world, the jet engine and the financial collapse of 1971. The public mind is understandably muddled about the name Rolls-Royce and this supplement should clarify some of the issues.

over this year and next.

Heavier vehicles

Management in the Rolls-Royce Diesel Division is not short on realism. A single booming automotive sector is not enough to fill the factory with orders, even if the continued move within the truck market towards heavier gross vehicle weights is a trend distinctly in line with their product planning.

The military business is peculiar in several ways. Not the least of which is the relationship between the research and development phase of a contract and the volume building for delivery of the power plants. At present the Military Engine Division is deeply involved at the research and development stage for the next generation of tank engines for western bloc armies.

Good prospects

But this does not fill the new military engine production facility in the short term. But long term prospects must be good as Rolls-Royce Motors have what is possibly the only viable tank power plant which is in production for the next generation of NATO armour.

The generator set slump cannot last for ever. Indeed, the group of rich

developing countries which traditionally dominate the international market for generator sets are accruing fresh cash surpluses from this year's oil price rises.

Rolls-Royce have been market leaders in the 100-500 kW generator set business in this country for many years and now with gen set variations of the new compact, lightweight CV8 and CV12 engines, have a range that is second to none. This must augur well for the future. Meanwhile new markets must be sought out for industrial diesels, and the push in the heavy truck market will continue.

Fine engineering

The Rolls-Royce name and the fine engineering which created the reputation will always find the specialised niches in a world wide diesel business currently worth 15 billion dollars. Meanwhile the company is about to return to a partial five day week after being obliged to introduce short-time working in February this year.

Army's accolade

The new range of CV engines - 8 and 12 cylinder, high power, compact, veeform diesels - also hold a great future for the diesel business. The military version has already been selected by the British

Army for the next generation of main battle tanks and this accolade has provoked world-wide military interest.

Designed to be used in military and commercial applications the 'CV' engine family is already in production for commercial generator sets and future applications include marine, rail traction and automotive.

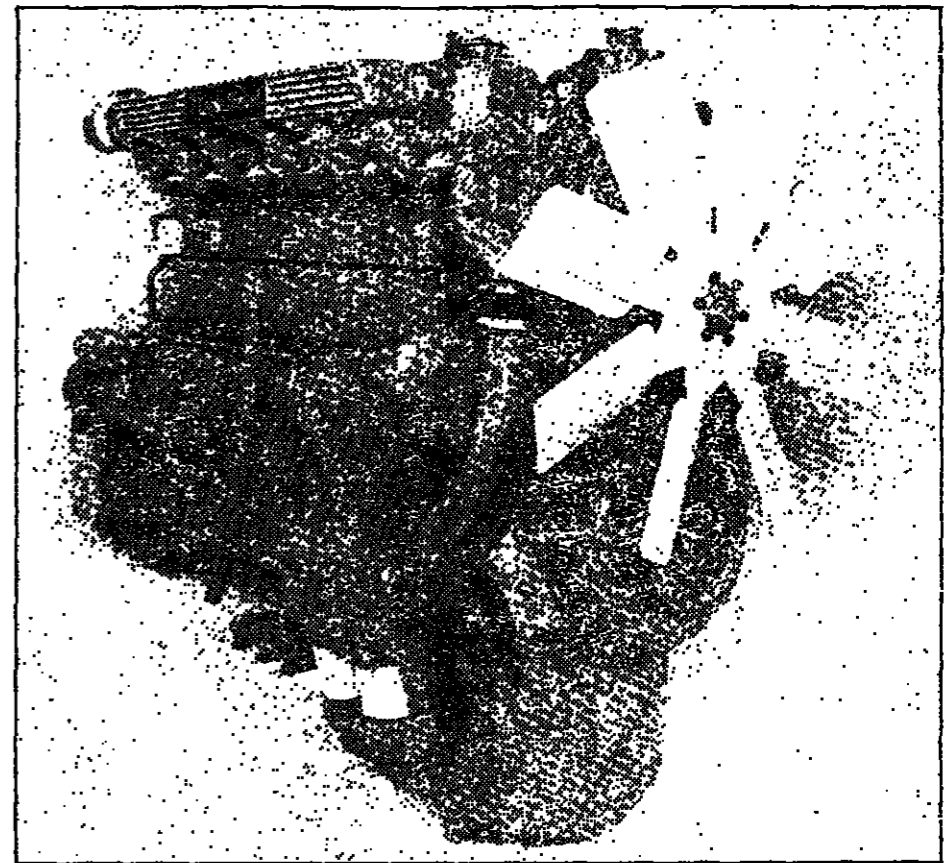
Marine boost

The Division has always been well known for its marine diesels but a con-

certed effort is being made to boost this market. South coast marine specialists, Ruhaak Limited, were acquired earlier this year and will be expanding the business.

There are many factors which weigh in favour of Rolls-Royce diesels despite the relatively small size of the operation and the great competition it faces.

Not the least is its flexibility, the standard of service it can offer to operators of its products and the high quality of its engineering.



Rolls-Royce Eagle MK III truck engine.



To increase productivity, they each got a Rolls-Royce.

Rolls-Royce make what are almost certainly the most efficient automotive diesels in the world. The range is comprehensive, the designs both advanced and reliable. Every engine is built by hand. Fuel consumption is excellent and barely rivalled by any other manufacturers. Both purchase and running costs are extremely competitive.

The advantages for drivers are of paramount importance. Noise levels are low which helps to reduce fatigue. And all

Rolls-Royce 'Eagle' automotive diesels produce very wide torque bands which gives them excellent flexibility. Power to weight ratios and bhp per litre contribute to making Rolls-Royce diesels better to drive and more efficient to operate.

If you would like more information about Rolls-Royce diesels and the opportunity to test them, contact any authorised distributor or George Reeves, Marketing Director, Rolls-Royce Diesel Division.

The Rolls-Royce of Diesels.

Rolls-Royce Motors Limited, Diesel Division, Shrewsbury SY1 4DP England. Telephone: 0743 52262. Telex: 3511U/2.



A world of power

THE FIRST ROLLS-ROYCE diesel engine ran at Clan Foundry, Belper, Derbyshire, in 1949, design having been started in January of that year. The Oil Engine Division, later to become the Diesel Division was established in 1950, the first production engine a 6 cylinder in-line supercharged model rated at 180 hp was despatched in 1952.

The growth of the business was such that by 1956 the Division had outgrown the limited production facilities available at Derby and had to seek new premises. The Sentinel Works at Shrewsbury, a factory employing 1700 people and large enough to house all the diesel engine activities was purchased and in 1957 the Division moved to its present home. Rolls-Royce Oil Engine Division became

the Diesel Division of Rolls-Royce Motors when the new Company was formed in April 1971.

Rolls-Royce C range diesel engines—the first Rolls-Royce diesels to be manufactured—are available in 6 and 8 cylinder in-line forms and meet power requirements of between 125 hp and 410 hp. They are widely used in generating equipment, air compressors, rail traction, off highway vehicles, pumping sets and marine applications.

Eagle diesels, derived from the C range family, were designed specifically for automotive use and are offered as standard or optional power units by all the leading independent British premium truck manufacturers. They are six cylinder in-line engines of between 220

and 340 hp and all meet the British BSAU 141a: 1971 standard for exhaust opacity.

Introduced in 1966 the Eagle is now produced in greater numbers than any other of the Company's diesels.

The largest capacity engine offered by Rolls-Royce Motors, the D range series are V8 units and cover the 400 hp—825 hp range. They are specified for generating and pumping equipment, rail traction and marine applications.

The new Rolls-Royce CV12 60° Vee form 12 cylinder and 90° Vee form eight cylinder direct injection water cooled four cycle compression ignition engines are of exceptionally compact dimensions and low weight with maximum power outputs up to 140 hp per cylinder.



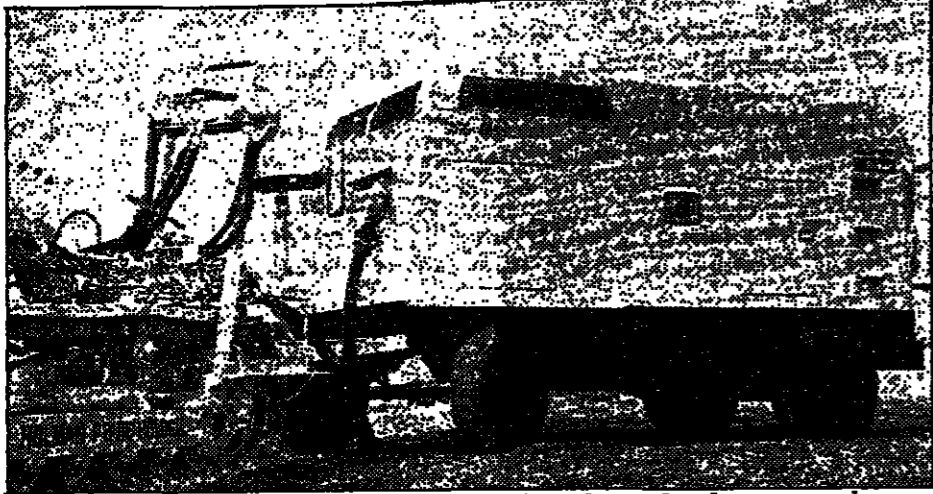
A specially designed tilt test rig at the Military Engine Division, enables complete power packs of Condor military diesel engines to be tested at angles of up to 57° in any plane.



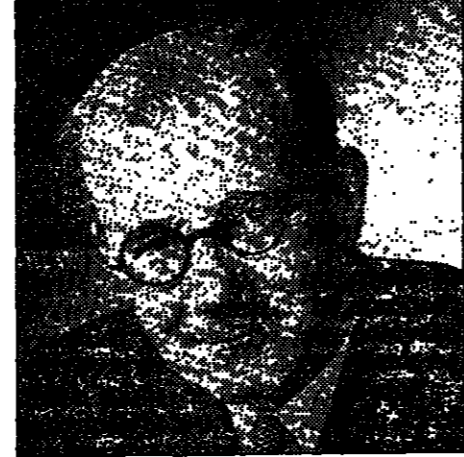
Marine diesels from Rolls-Royce are in service throughout the world. This Liverpool pilot boat is fitted with twin C&M, 10 turbocharged engines.



Rail traction is a Rolls-Royce speciality. Steaming engines like these are in service all over the world.

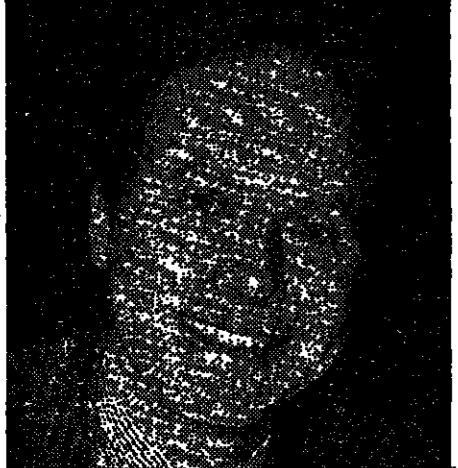


Rolls-Royce diesels are also fitted to air compressors for road and quarry work.



Mr. W. A. Robotham, the Division's first Managing Director

Right: CV8 engines are already in production at Shrewsbury. A compact, powerful diesel, these engines are destined as prime movers for generating sets.



Mr. Bob Young, General Manager of Diesel Division and a Director of Military Engine Division.



Rolls-state-of-the-art in Diesel

THE GREAT ENGINEERING achievement of Rolls-Royce Motors Diesel Division is the simple and efficient way it has extracted power from a cylinder which is as close in size to 6 inches by 5 inches as the layman would want to measure. This two-litre capacity metal container first produced in 1952, is the heart of the in-line six cylinder industrial engines in the C range, of the automotive Eagle engine and of the CV range which has produced 1700 horsepower in a military version on the test bed at Shrewsbury.

The beauty of the diesel engine is that more power is extracted from the same cylinder as the engineering evolves. This is done by increasing the efficiency of the combustion and, such is the Rolls-Royce improvement in burning the mixture of fuel and air inside the cylinder that the cost per horsepower delivered to the customer is now three times cheaper in real terms than when the cylinder was brought into production.

The diesel engine, says Rolls-Royce Motors will continue to evolve. Despite decades of searching for a comparably compact and portable power pack there seems to be no substitute for the reciprocating diesel engine—for applications as far apart as driving trucks or generating electrical power.

Favourable conditions for the continuing evolution of the engine at Rolls-Royce Motors have been created by the new combined facility for making vee-8 and vee-12 engines at Shrewsbury. The dual factory for military and industrial CV engines has engineering and commercial benefits: larger capacity means cheaper output; military investment means more money for advanced technology; combined experience means cross-fertilisation in service.

The genesis of the C range engine dates back to the years of the Second World War when Rolls-Royce worked in close association with Vickers on aero engines. After the war Vickers became interested in earth moving equipment and in the early 1950s started the Vickers Vigor tractor (not the farm kind but the earth mover). They wanted a diesel engine and asked Rolls-Royce for their advice and help.

The Diesel Division was founded and Mr W. A. Robotham became its first managing director. He and his design

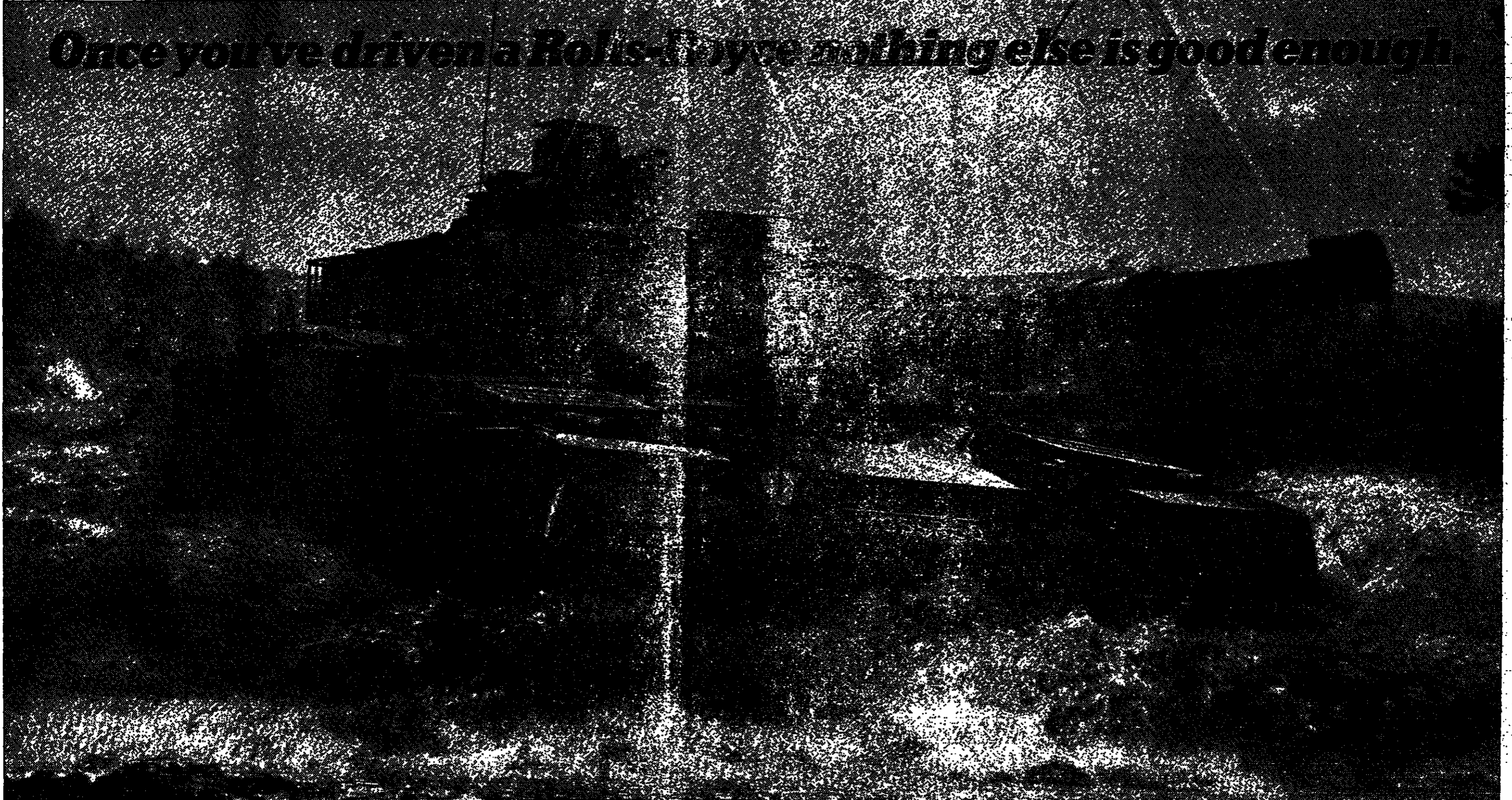
engineer, John Read, were responsible, more than anyone else, for the launching of the first C range engine in 1952. The Vickers heavy tractor was in successful production throughout most of the decade and by then Rolls-Royce diesels had developed into a substantial enterprise.

Commenting on the evolutionary process of engineering at Rolls-Royce Motors, Mr Brian Leverton, Director of Engineering, said: "I look upon the cylinder design and the C range engine as a bank founded in 1952. It should not be thought of as an old design. It represents the genesis from which the present breed has evolved. Philosophically it can be seen as a bank which opened in 1952 and has been flourishing ever since."

The original six cylinder C range engine was pressure-charged, that is to say air was blown into the cylinder with the equivalent of a turbo-charger. In 1952 it produced 180 hp. Improvements in the understanding of combustion in the past 25 years mean that the same engine in 1979 produces 350 hp in similar applications.

Mr Leverton added: "We don't need a

Once you've driven a Rolls-Royce nothing else is good enough



The Rolls-Royce featured here is a V12, turbocharged diesel producing 1,200 bhp. Rolls-Royce have been building power units for military use for sixty years and they're presently used by some 28 armies worldwide.

However, should you want a diesel for something less esoteric than a tank, Rolls-Royce can offer you a comprehensive range of advanced, hand-built engines. They are, naturally, of exceptional quality and reliability. They are efficient and cost effective and, surprisingly, they tend to be somewhat less expensive to buy and to operate than

their nearest substitutes.

Rolls-Royce diesels are available for road, rail and marine transport, power generation, construction equipment and industrial applications, both commercial and military. This is backed up by a worldwide sales and service network.

Should you want more information, or would like to test one contact any authorised distributor or George Reeves, Marketing Director, Rolls-Royce Diesel Division. Military inquiries to Victor Comyn, Marketing Director, Rolls-Royce Military Engines Division.

The Rolls-Royce of Diesels.

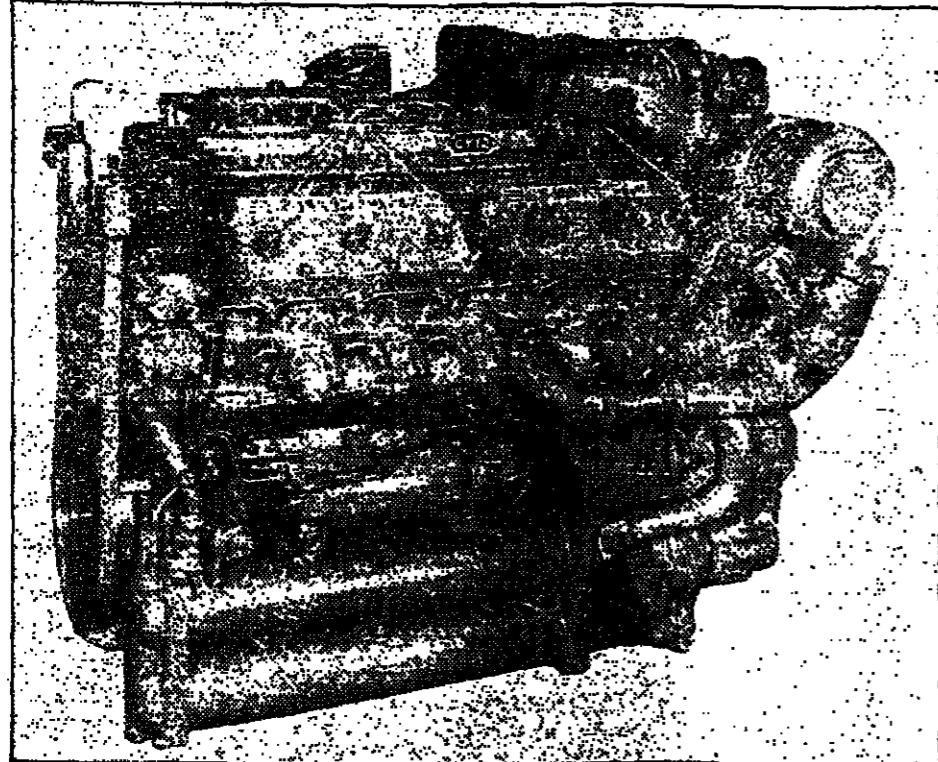
Rolls-Royce Motors Limited, Diesel Division, Shrewsbury SY1 4DP England. Telephone: 0743 52262. Telex: 35771/2.



مكاتبنا في لندن

ADVERTISEMENT

The drivers' diesel



The Rolls-Royce Condor 12V-1800 is an air-to-air charge cooled, 12 cylinder diesel, developing 1200 hp gross to British Standard test conditions at 2300 rev/min. A 60 degree Vee form, direct injection, four cycle compression ignition engine, it has exceptionally compact dimensions and a nett dry weight of only 400 lbs.

THE AUTOMOTIVE BUSINESS is, to say the least, highly competitive. So when Rolls-Royce Motors made its debut in the truck engine market in 1966 with the Eagle six-cylinder in-line diesel it knew it had a tough struggle ahead.

With a 220 horsepower, naturally aspirated engine and the rest of the range up to 340 hp specifically designed for turbocharging, the Company did, however, have a first class start to its new business.

The Mark II Eagle followed and continued a steady progress in market penetration but it was the introduction of the Mark III and the "L" concept that

brought the breakthrough in 1976.

Rolls-Royce had identified that 265 horsepower was the power range needed by truck operators in the 28-32 ton market. But economy and reliability were also at a premium. The solution was typical of evolutionary engineering within the Division.

Engine speed was lowered from 2100 rpm to 1900-1950 rpm, which with more efficient fuel metering, brought a series of benefits. Economy was the first achievement and independent road tests have confirmed the consumption figures. And there was less noise, longer life and lower maintenance costs. The low weight of the Eagle enhanced a still lively performance and the torque spread gave the "lugging" power to aid the driver.

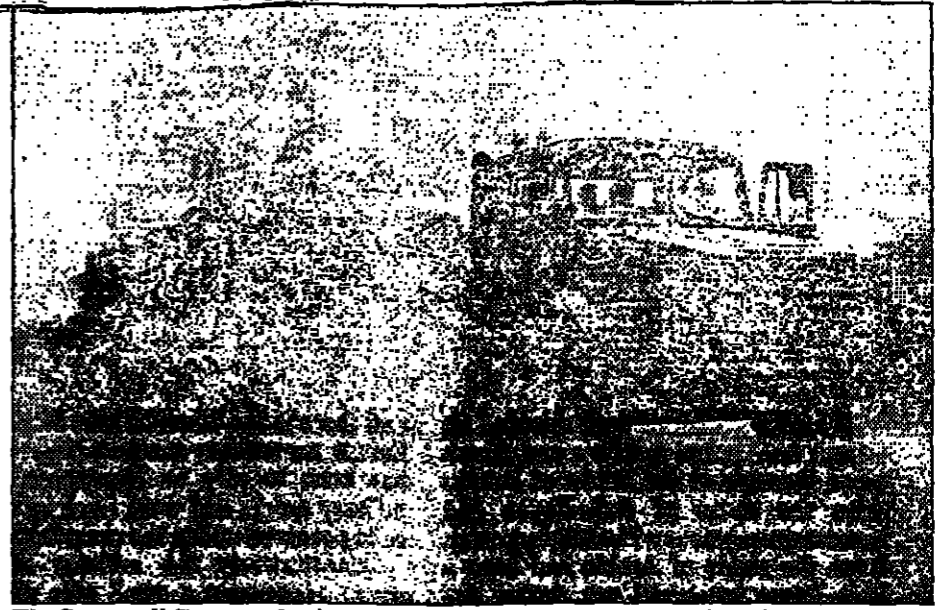
It was no wonder then that the Eagle earned an early reputation as "The Motorway Fuel Miser" and then as the "Drivers' Diesel".

Rolls-Royce has continued to capture an increasing share of the engine market in British trucks. Its confidence in the future also remains unchanged for investment in its factories at Shrewsbury has been high and work continues on developing "L" versions of its other Eagle diesels.

Rolls-Royce remains too in the forefront of research on other aspects of road haulage. There has been a great cry to reduce noise levels from trucks. With the Transport and Road Research Laboratory and Foden, a 38 ton truck with a drive-by-noise level no greater than a family saloon has been demonstrated and this Quiet Heavy Vehicle is to go into commercial service with an operator to continue testing.

The emotive subject of the 40 ton heavy vehicle has also been examined by the Company in conjunction with Foden, York Trailers and Commercial Motor. Two vehicles, identical but for a third trailer axle on one, were loaded to 32 and 40 tons respectively and put through their paces. Significantly the results showed that the 40 ton gross vehicle moved more goods per litre of fuel consumed; was no bigger; no noisier than the 32 ton vehicle and, did less damage to the roads.

This co-operation on experimental runs has been extended by Rolls-Royce to the transport press who have tested the



The Scammell Commander is powered by a 625 horsepower version of the V12 Condor. With an all up, loaded weight exceeding 100 tons, it has a top speed approaching 40 mph.

Eagle in several applications to establish its reputation for economy, reliability and the durability expected of a product from Rolls-Royce Motors.

Truck Magazine tested an ERF 32 ton rig fitted with an Eagle 265L against a Ford Transcontinental powered by a Formula E 290. The ERF Rolls combination maintained a steady margin of economy over its rival. The ERF Eagle also performed better when running with a partial load.

On trunk routes the Eagle recorded 9.53 miles per gallon and returned an overall fuel consumption of 7.64 mpg compared to 6.94 mpg for the Ford-Cummins. Said Truck: "It simply uses less fuel than any other truck we've taken through our test procedures, and what's more it does it at a sparkling pace."

So it can be seen that power plus economy are the heart of the success of Eagle. And it is the strategy behind Rolls-Royce marketing that has always set out to identify the needs of the market place.

The Eagle 265L was brought in at the right time at the right power level. Now, believes Mr George Reeves, the Diesel Division Marketing Director, the company has the next generation of truck engines ready and available—the Eagle 290L. He said: "The drive towards economic fuel consumption and increasing cost consciousness will enable the company to increase its share of the 28-ton-plus truck market next year despite an overall decrease in the market."

Mr Reeves is clear on the pattern which will develop in the truck business in the 1980s. He said: "The 265L has been the engine of the Seventies. The sales record shows that! The engine of the 1980s, though, will be the 290L because of a change in weight legislation."

He went on: "A change permitting bigger trucks is inevitable with any



Mr. George Reeves, Marketing Director of Diesel Division.

government concerned with productivity. A 40 tonner gives us a 24% increase in productivity. The hard reality in the economy is inflation and anything which increases productivity is anti-inflationary. We will do this without increasing road damage, or the overall size of the vehicle. Nor will we increase drive-by noise levels. The advent of the 40 ton truck will mean fewer journeys for the same tonnage hauled."

As the top marketing man at Rolls-Royce in Shrewsbury, Mr Reeves would naturally argue on these lines. But his points do stand up. Trucks will not be physically bigger because they carry 40 tons—the 32 tons chassis with an extra axle will do the job—and the extra axle will also minimise road damage.

Should the change come the Rolls-Royce Eagle will be ready and waiting. Not only with the power and economy but with the needs of the environment as well as the haulier and driver very much in mind.

Royce: diesel engineering

new cylinder. The eight cylinder engine in vee form for 300 kW generator sets shows a 40% improvement in output over the last five years (whereas in 1974 we were making eight cylinder in-line engines for gen sets of 200 kW).

"All of this is based on the 1952 cylinder, though the CV is slightly larger because we use a dry liner instead of a wet liner. This is not boring out. It's the same basic unit. The trick is to get extra power without increasing exhaust temperature and without going above a limiting peak pressure."

A diesel engine is 50-60% more thermally efficient than its petrol-burning cousin. Diesel is a more disciplined combustion because the fuel and air are mixed in the cylinder not outside it. The figures for thermal efficiency illustrate the contrast between petrol and diesel engines. In 1969 diesel engines were about 32-36% efficient in changing the energy from combustion into power. They now run at 40%. Ten years ago the petrol engine was about 25% thermally efficient and is perhaps 28% efficient today.

In scientific investigation, as in engine



Mr. Brian Leverton, Director of Engineering at Diesel Division.

ering design at the highest levels, commercial rivalry between companies is often set aside. Rolls-Royce Motors is with the Government jointly sponsoring with Perkins, Leyland and C.A.V. a project on the internal combustion engine, known by its acronym, I.C.E. The companies are working at Harwell using the Government's atomic energy laboratories to examine what actually happens when fuel mixes with air and ignites. The

project is at Harwell because instrumentation facilities and expertise are available to look at internal combustion using lasers to track the process. The four year I.C.E. programme began in 1977 and its findings will benefit the entire industry.

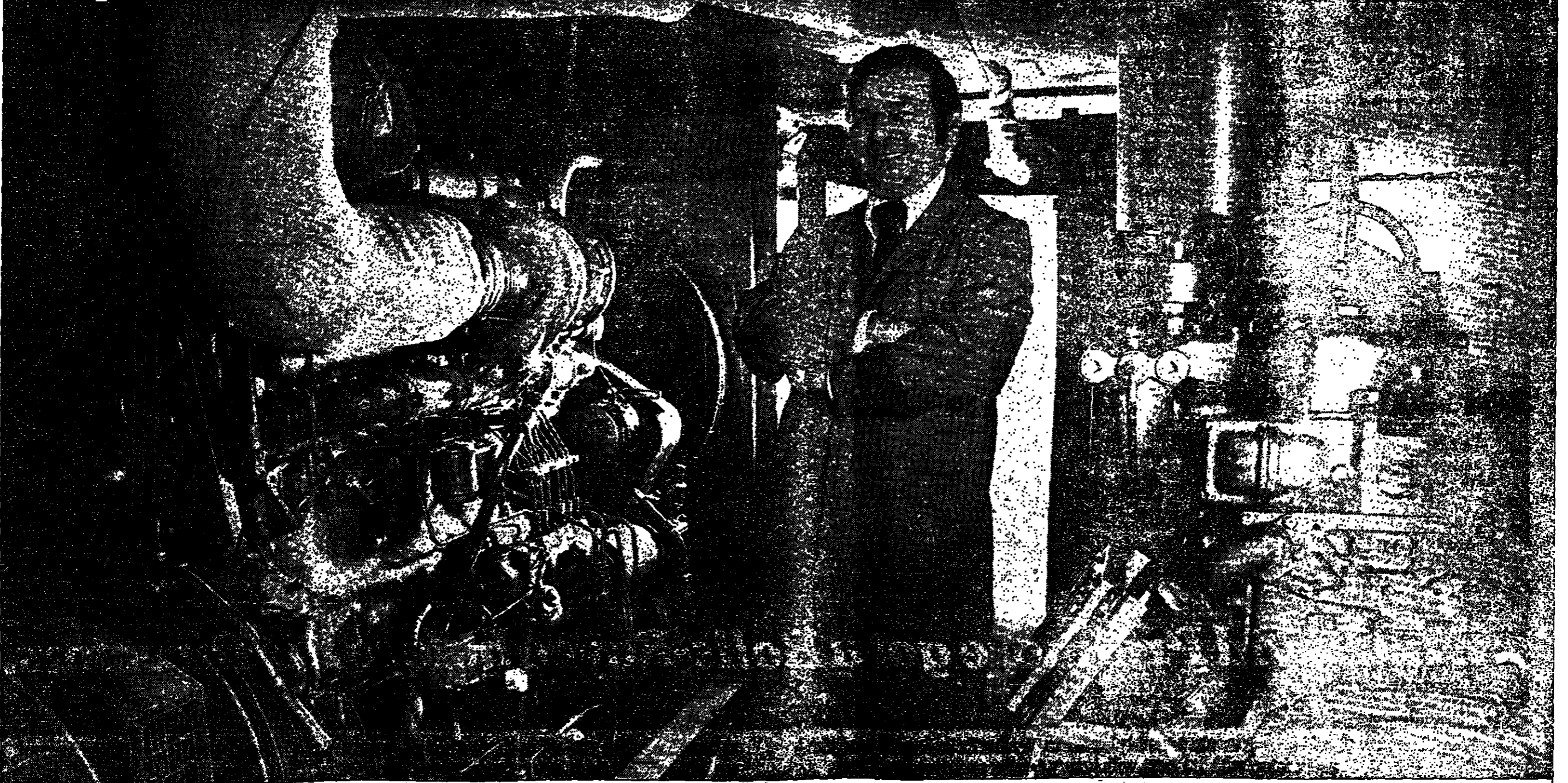
At Rolls-Royce Motors, test programmes in the new factory continually search for advances in efficiency, whether from the laboratory or from the computer-controlled test-beds, and are exploited in military, industrial and commercial applications.

In military engines in particular this results in considerable increases in power from the same engine.

This increase in efficiency of the C range engine is partly due to the discipline of working with the same cylinder. It is extraordinary to reflect that the CV12s in the new factory are producing 1200 and 1500 horsepower in military versions and are capable of running at over 1700 hp.

The same cylinder which produced 30 hp in 1952 will produce more than five times the power for the engine to power Britain's main battle tank of the Eighties.

Why Ron White got two Rolls-Royces before the Managing Director.



It would possibly be fair to say that Rolls-Royce tend to be associated with the best, with luxury, quality and prestige. Cost efficiency and competitive pricing do not immediately spring to mind. Yet this is exactly what Rolls-Royce diesel engines offer, and it is what makes them probably the best diesels of their type in the world.

The range of engines is comprehensive, from 130bhp to over 1,200bhp. They're of an advanced design with excellent economy and power to weight ratios, eminently suitable for a wide variety of applications including power generation, road transport, railways, marine, military and construction

equipment. This is backed up by a worldwide sales and service network.

Ron White is the Maintenance Engineer at Pullman-Kellogg Ltd. His Rolls-Royces power the stand-by generators at the London headquarters of this major engineering group. The acquisition of a Rolls-Royce is a shrewd investment, which is why Mr White received his before the Managing Director, who will no doubt have his fairly soon.

Should you want more information, or would like to test one contact any authorised distributor or George Reeves, Marketing Director, Rolls-Royce Diesel Division.



The Rolls-Royce of Diesels.

Rolls-Royce Motors Limited, Diesel Division, Shrewsbury SY1 4DP England. Telephone: 0743 52262. Telex: 35171/2.

ADVERTISEMENT

Power for the new generation of military vehicles

LONG BEFORE the Merlin howled its defiant note in the Spitfires and Hurricanes throughout the Battle of Britain skies the name of Rolls-Royce had become synonymous with military power. Even the sands of Arabia had seen a Rolls-Royce armoured car during the First World War.

Indeed the armoured Rolls-Royce Silver Ghost used by Lawrence of Arabia

and there is the inherent interest of the British for military matters. The result has been to give an impression that military orders and work have an overriding concern within the company.

Quantitatively the military diesel engine represents a small part of the company's overall business. Qualitatively the military diesel plays a vital role.

The multi-million pound factory built

output, compact diesel built in cast iron that can be used in armoured and logistic vehicles yet with little change be adapted as a generator set prime mover, or other industrial applications such as marine propulsion, rail traction or off-highway transport.

It was these factors, along with good fuel consumption, and ease of maintenance that won the British Army over to selecting a Rolls-Royce diesel against an American turbine for its next generation of main battle tanks, the MBT 80.

This accolade from the British Army will, undoubtedly, open other military doors for the Condor.

Licence deal

Twice this year the engines have been displayed in Washington DC and talks are in progress with Teledyne Continental on a possible licence deal to build the engine should the American XM-1 tank project suffer further problems with the turbine engine. But the Condor range will not only provide the massive 1500 horsepower now demanded by the builders of

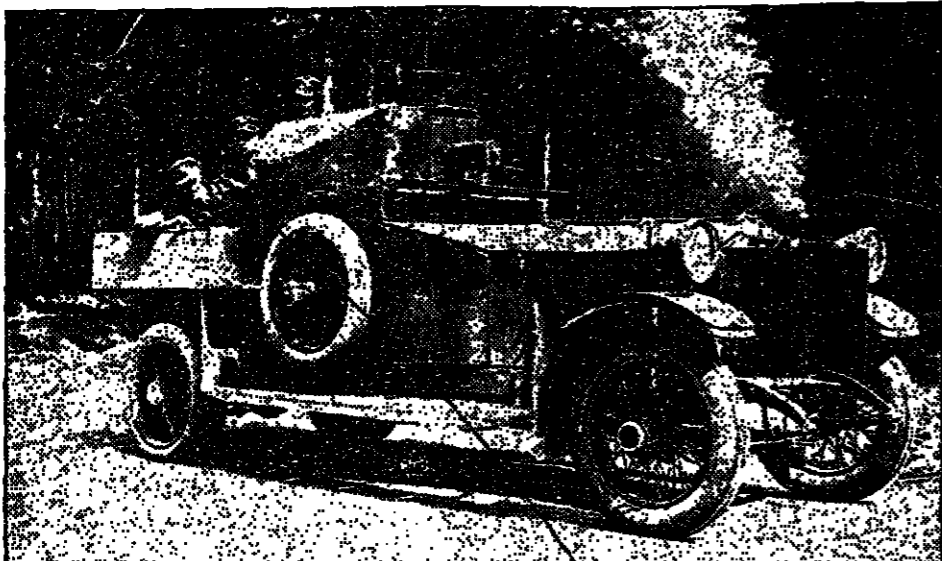
main battle tanks. The eight cylinder version, from a box volume of just over a cubic metre, provides up to 800 horsepower for smaller fighting vehicles such as armoured personnel carriers and mechanised combat vehicles, as well as for heavy wheeled vehicles.

Fast transporter

The 12 cylinder Condor is already running in the Scammell Commander, a giant tank transporter capable of carrying the next generation of heavy battle tanks. With an all up weight of over 100 tons it moves at close on 40 mph and will easily re-start on a 1 in 6 gradient.

Jordanian interest

The 1200 horsepower Condor, already fitted to the Chobham armoured improved Chiefain, could produce a sizeable order for Military Engine Division if the British Army seek an interim main battle tank before MBT 80 enters production. And there is considerable interest from Jordan for the Condor engine Chiefain.



The most elegant armoured personnel carrier in the history of warfare? Rolls-Royce Silver Ghost armoured cars were used by Lawrence of Arabia.

must be the most elegant armoured personnel carrier in the history of warfare. Certainly Lawrence was impressed. Of the Silver Ghost he said: "A Rolls in the desert was above rubies."

Hard facts

But such tales do not influence the modern soldier and politician in the choice of power plant for modern fighting and logistic vehicles. It is hard facts, and above all reliability and performance that they require. The ability to provide all that the military man needs in these aspects is the reason why Rolls-Royce Motors and the Military Engine Division at Shrewsbury remain in the forefront of the most exacting engine business in the world.

The role of the Military Engine Division within Rolls-Royce Motors has been misunderstood. The Press is quick to follow stories that catch the public-eye

at Shrewsbury to build the new CV range of high power diesels is a classic example of forethought by Rolls-Royce Motors. The facility can build either military or commercial types of the CV range with little change of emphasis, and thus can respond rapidly to customer requirements.

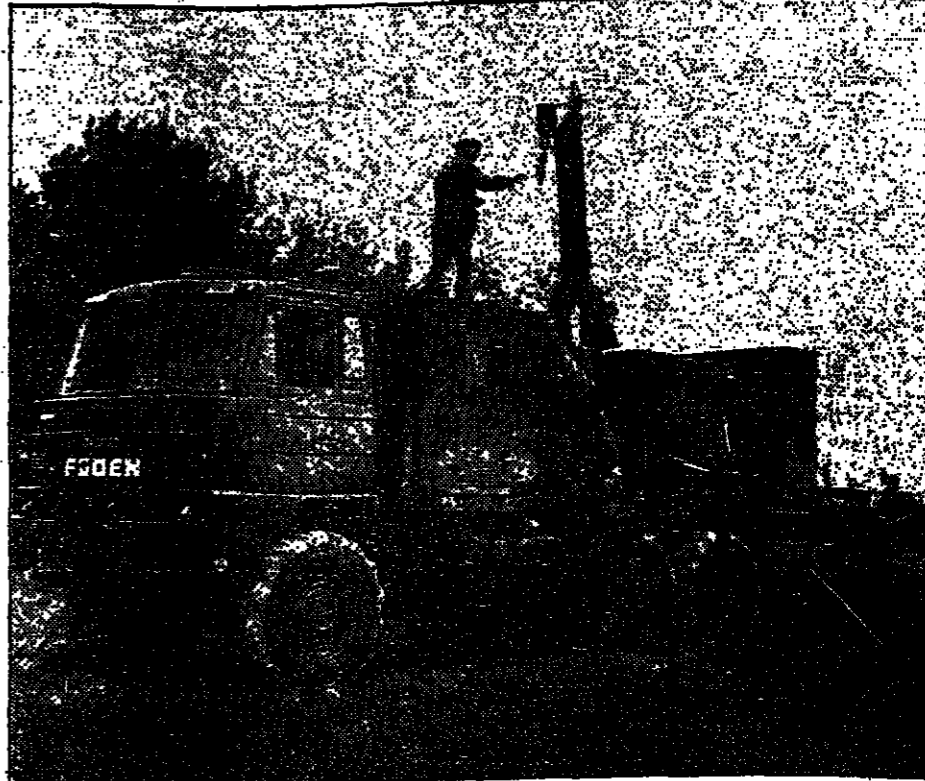
Low cost

The design of the CV range is also a Rolls-Royce Motors solution to the difficult problems of the military engine. While military diesels have a life calculated in hundreds of hours the commercial world has always demanded much more—thousands of hours of running, long term reliability and low first cost.

The CV range—or the Condor, as it is known, in military form—unites both worlds. Evolved from existing Rolls-Royce technology the CV is a high specific



The versatile Combat Engineer Tractor is now in service with the British Army of the Rhine.



The British Army's low and medium mobility logistic fleet is powered by Rolls-Royce Eagle diesels. A 305 horsepower version of the famous six cylinder in-line Eagle drives the new medium mobility gun tractor for the NATO FH70, 115mm howitzer. Renowned for its fuel economy, the turbocharged Eagle is also fitted to the FH70 ammunition tender vehicle.

The Eagle diesel is also a best military seller for Rolls-Royce Motors. The British Army's new low and medium mobility logistic fleet runs on the company's power and the Eagle also drives the new gun tractor and limber for the FH70 howitzer.

Combat tractor

Engineer transporters, cranes and other vehicles all use Rolls-Royce diesels but a most significant adaptation of the company's diesels is the six cylinder C range engine fitted to the versatile Combat Engineer Tractor used by the British Army. This advanced armoured earth moving vehicle is of considerable interest to NATO countries and has been trialled by the United States. Whatever short-term difficulties it may encounter in the wake of the cancellation of its Iranian business, the medium and long-term future for Military Engine Division

looks bright. The new factory is already building, and will continue to build CV and CV12 commercial engines. Development work is already under way on the 1500 horsepower Condor for the MBT and sales teams are promoting its virtues of the engine world-wide.

World sales

On the test beds the Condor cylinder engine has already been taken to 1700 horsepower and the figure 2000 horsepower is a target for the future.

Said Mr Bob Young, Director of the Division: "Condor is the military engine for the Eighties and beyond. We have high hopes of world-wide sales. The design philosophy of the CV range is unique and there is no doubt it will win another chapter in Rolls-Royce's military history."



Why David Pridmore got a Rolls-Royce before his Directors.

It would possibly be fair to say that Rolls-Royce tend to be associated with the best, with luxury, quality and prestige. Cost efficiency and competitive pricing do not immediately spring to mind. Yet this is exactly what Rolls-Royce diesel engines offer, and it is what makes them probably the best diesels of their type in the world.

The range of engines is comprehensive, from 130bhp to over 1200bhp. They're of an advanced and sophisticated design with excellent economy and power to weight ratios, eminently suitable for a wide variety of applications including power generation, road transport,

railways, marine, military and construction equipment. This is backed up by a worldwide sales and service network.

David Pridmore's Rolls-Royce 'Eagle' 265L powers a Denison tractor unit for John Marsh & Son Ltd. The acquisition of a Rolls-Royce is a shrewd investment, which is why Mr. Pridmore received his before his Directors, who will no doubt have theirs soon.

Should you want more information, or would like to test one, contact any authorised distributor or George Reeves, Marketing Director, Rolls-Royce Diesel Division.



The Rolls-Royce of Diesels.

Rolls-Royce Motors Limited, Diesel Division, Shrewsbury SY1 4DP England. Telephone: 0743 52262. Telex: 35111/2.

مكتبة النخيل

Companies and Markets

UK COMPANY NEWS

Smiths at £25m after static second half

AFFECTED BY low demand from the motor and shipbuilding industries, pre-tax profits of Smiths Industries fell slightly from £14.58m to £14.15m in the second six months ended August 4, 1979...

net payment by 20.5 per cent from 8.0924p to 9.75p. Extraordinary debits surged from £0.18m to £2.95m and included a provision for the reorganisation and restructuring of production facilities.

The group's aerospace business had a good year with buoyant demand that is expected to continue.

At the interim stage, the Board warned that second-half results were unlikely to match those of the corresponding period last year.

Turnover for the year rose 12 per cent to £254.65m, while exports from the UK increased by 20 per cent. Trading profits moved up 14 per cent from £24.13m to £27.54m, before interest of £2.4m (£2.04m).

The directors say the underlying profit improvement was 20 per cent taking into account the previous 53 weeks trading period. The provision of £300,000 for depreciation of buildings for the first time, and conversion of overseas results at different exchange rates.

Stated earnings per 50p share, before tax of £7.45m (£6.12m), were 52.1p (46.5p) and 36.6p (33.5p) after the same. A final dividend of 6.1382p lifts the total

Overseas results were 50 per cent higher in sterling terms and contributed 17 per cent of total profits. See Lex

The group's financial position remains strong and borrowings at the year-end were equivalent to 15 per cent of total funds employed, compared with 15.6 per cent at the beginning of the year.

Table with columns for 1978-79, 1977-78, and 1976-77. Rows include Turnover, Depreciation, Profit before tax, etc.

HIT BY the strength of the pound, pre-tax profits of Loyds Bank International fell from £44.2m to £40.1m in the year ended September 30, 1979.

LBI hit by strong pound

HIT BY the strength of the pound, pre-tax profits of Loyds Bank International fell from £44.2m to £40.1m in the year ended September 30, 1979.

Despite lower world economic growth, advances rose by 33 per cent to £3.83bn but fierce competition again narrowed margins, and costs continued to rise.

DIVIDENDS ANNOUNCED

Table listing dividends for various companies like Advance Laundries Int., Arbutnot Latham Int., Bellway Holdings, etc.

After all changes the profit attributable comes through at £19.9m against £20.3m. This has been added to reserves to support continued expansion, a move which the parent Loyds Bank Limited has agreed with.

HIGHLIGHTS

It was a busy day for offer documents and Lex looks at the agreed offer from Thorn for EMI and the latest rejection document from Aversys in reply to the improved GEC offer.

GEI may achieve record year despite setbacks

TAXABLE surplus of GEI International, engineer, remained virtually static at £2.41m, against £2.32m, in the half year to September 30, 1979, on turnover up from £24.16m to £25.9m.

Dependent on the GEI share price over the next few days, ECI and the NCB Pension Fund

CU recovers lost ground after good third quarter

AN UNDERWRITING loss of only £400,000 in the third quarter and continued strong growth in investment income enabled Commercial Union Assurance to close the gap in pre-tax profits at the nine-month stage.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are interims or finals and the sub-division shown below are based mainly on last year's results.

Table of Board Meetings for various companies including Chloride, Chamberlain and Hill, Chubb, Davis (Godfrey), etc.

The motor account is showing a small underwriting profit, following the 12 per cent rate increase made in June. The company hopes to hold this for 12 months, but warns that the rates for house buildings insurance will have to be increased early in the new year.

Underwriting losses were £8.7m, against £11.5m at the half-year and a nine-month profit of £1.4m for 1979. The improvement was particularly noticeable in workers' compensation and automobile accounts, despite the comparative few rate increases granted in the motor business.

Howard Tenens jumps to £0.6m - sees similar second half

PRE-TAX profits of Howard Tenens Services, the distribution and engineering services group, expanded from £256,000 to £510,000 in the six months to September 30, 1979.

Mr. T. B. Morland, chairman of the business systems group, says in his annual statement that the Board is very conscious that shareholders over the past few years have fared less well than employees and pensioners.

With the lifting of dividend controls, the directors have formulated a future policy. "As a general rule we should expect to retain in the business no more than we pay as dividends," they say.

The directors say first-half profits are in line with budget and they expect second-half results to be similar. This should give a full-year profit above the £869,000 attained on the continuing business last time, they add.

Following the 73.5 per cent increase proposed in its 1978-79 net dividend, Kalamazoo has announced its future dividend policy.

Further rationalisation may well be on the cards at Howard Tenens but at least the heavy loss-maker, Wittenball, is now safely out of the way and the group should be shooting at the previous pre-tax target of £969,000 for the continuing businesses. That presents few problems on the interim evidence for profits have already reached £744,000, allowing for loss elim-

AMBER DAY HOLDINGS LIMITED. Issue of £2,000,000 10% per cent Cumulative Redeemable Preference Shares. 1999/2002 of £1 at par payable in full on acceptance.

Market data for SPAIN and BRAZIL. Lists prices for various stocks like Asland, Banco Bilbao, Banco Central, etc.

Bellway turns in £3.72m. FOR THE year ended July 31, 1979, the directors of Bellway Holdings report turnover of £27m against £26.5m and taxable profits of £3.72m, compared with £3.1m.

Wm Press in Irish joint venture. William Press and Son, the civil engineer, is to enter into a joint venture with H. A. O'Neill of Dublin after receiving a letter of intent for a contract, worth nearly £30m.

Export Finance. Without Recourse. Contact: David Rippon at Arbuthnot Export Services Limited. Specialists in financing exports of capital plant and machinery worldwide.

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SCOTTISH NTHN. INVESTMENT. The directors of Scottish Northern Investment Trust state that it should be possible to recommend an increase in total dividend for 1979-80 but no special payment will be made between interim and final to take account of exceptional distribution made by British companies following lifting of dividend controls.

LONDON & PROVINCIAL SHOP CENTRES. Results for year ended 24th June, 1979. Profits increased to £551,000. Investment properties professionally revalued at £48.3m - an increase of 111%.

State of Bahia. U.S. \$100,000,000 Loan. Unconditionally Guaranteed by the Federative Republic of Brazil. Arranged by European Brazilian Bank Limited - EUROBRAZ.

Companies and Markets

UK COMPANY NEWS

De La Rue advances to £17m and boosts interim

ANNOUNCING a jump of 26 per cent to £17m in first-half 1979/80 profits, before tax, De La Rue, the security printing and electronic equipment group, is boosting its interim dividend by 69 per cent to 6.6p per 25p share.

At the trading level profits showed an increase of 35 per cent to £14.45m and margins moved up from 18.5 per cent to 19.9 per cent. Earnings per share are shown to be ahead from 22.6p to 27.1p.

Sir Arthur Norman, chairman, reports that group trading in the six months shows a healthy improvement over the budget with which the group started the year. Sales volumes are expected to continue to grow in the second half and margins are likely to be maintained. He is confident that a satisfactory result for the year will be achieved. In 1978/79 the group reported a profit of £26.6m from which total dividends of 15.58p were paid.

Group turnover in the first half increased by 26 per cent to

£72.7m. Exports as a percentage of group UK turnover were roughly unchanged at 62 per cent. Interest received by the group during the period amounted to £1.7m; interest paid was £0.5m.

Table with 2 columns: 1978-80, 1979-78. Rows include Sales, Security, Crossfield Electronics, Trading profit, Security, Crossfield Electronics, Net interest, Total trading profit, Profit before tax, Net profit, Preference dividend, and Amortisation ordinary.

The chairman says that some improvement was shown in the results of De La Rue Crossfield in the period. In accordance with current practice deferred tax for current and prior periods has been provided for only where a liability is expected to arise in the foreseeable future. If a full tax charge had been provided on UK

profits at 52 per cent the profit after tax would have been reduced by £0.2m (£1.4m). See Lex

Arbuthnot Latham improves

REFLECTING THE confidence expressed last July in the annual report, profits of Arbuthnot Latham Holdings, merchant banker, showed an increase in the half year to September 30, 1979, compared with the same period last time.

And despite the uncertain economic outlook, the Board anticipates that profits for the full year will show an improvement over the previous net result of £908,000. The net interim dividend is 4p (3.85p) per £1 share—the final last time was 6.97p.

Arenson profit jumps to £1.4m

AFTER EARNING a jump from £278,000 to £431,000 at half-way, profits, before tax, of A. Arenson (Holdings), the office furniture and equipment group, emerged at a record £1.41m for the year ended July 31, 1979, compared with £0.89m.

The dividend is being stepped up from 2.1345p to 3.5p net, with a final of 2.6p. A one-for-one scrip issue is also proposed. The directors state that they continue to be confident about the future. The current year has started well, with an aggressive attack in all marketing areas both at home and overseas.

Turnover for 1978-79 was up from £13.17m to £15.61m. After tax of £109,000 (£93,000), earnings per 10p share are stated to be up from 15.15p to 25.97p.

comment The improved utilisation of plant and equipment continues to make an impact on Arenson's margins, which are up more than two points to 9 per cent. Profits are 59 per cent higher—a pleasing result given the difficult trading background. The improvement was in evidence across the board in both the domestic and office furniture markets, although exports, which are largely unaffected by unfavourable exchange movements as a result of high import content, were perhaps a little disappointing, increasing only 15 per cent to £1.7m. In spite of the gloomy economic outlook, the immediate future looks assured; higher than the previous comparable period and there are sufficient orders to keep the factories busy for the rest of the year. Overseas markets provide the most scope for growth, although a strong push will have to wait for an improvement in the U.S. economy. Elsewhere, the rise in interest rates is not a problem as Arenson has cash in hand. At 128p, up 13p, the historical p/e is only 4.8 on

stated earnings (9.8 fully taxed) while the yield is 4.1 per cent.

Progress at Young Brewery

FOLLOWING A rise to a record £1.65m for the previous year, taxable profits of Young and Company's Brewery expanded from £587,288 to £934,751 for the half year ended September 30, 1979. And the net interim dividend is raised to 2.1p (1.7p). For the first six months turnover was ahead from £9.24m to £10.32m and there were £1.225 (£1,675) gains from property sales. No provision has been made for tax.

comment Things are rather quiet at Young and Company, where profits inched up slightly at the half-way stage. This is because of the fact that unlike other brewers, Young does not have lucrative non-beer interests such as spirits and amusement machines. But the interim dividend is up nearly a quarter and there are several reasons to expect a full year showing of around £2m. The company has just started a new larger plant to increase production of its "Saxon" brand in view of the continued growth of the larger market. A partial price increase introduced a few days ago should also contribute to higher second-half profits and the volume of draft beer sales is up 4 per cent, another encouraging development. Even with a final dividend increase similar to the interim one, however, the prospective yield is 3.7 per cent at 169p, up 1p, which is low for the brewery's sector. The p/e could stand at 10.8 on a full tax charge.

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LCP moves ahead 13% after second quarter setback

ON A 21 per cent rise in turnover to £101.68m, profits, before tax, of LCP Holdings rose by some 13 per cent to £51.7m in the six months ended September 30, 1979. This follows a jump from £4.2m to £6m in the year 1978/79.

The high level of interest rates and the uncertain economic climate are the two main factors affecting the group's trading performance, the directors state. However, the group has a strong base to withstand recessionary and financial pressures and they anticipate a satisfactory outcome for the full year.

The directors report that with the exception of engineering, where a trading loss of £250,000 was incurred, all divisions improved their first-half performance. First quarter results were some 40 per cent up but in the second three months there was a reduction in demand in certain manufacturing and marketing operations, and the impact of the engineering strike was very severe, particularly affecting the engineering and metals divisions.

Following the closures last year, further rationalisation of the engineering division has taken place. Trading prospects in this area, which is almost entirely dependent on the British motor industry, are being urgently reviewed. The main difficulties arose in metal pressings but, as a result of the engineering dispute, the group suffered its first loss in reclining

mechanism and seat frame production.

The directors announce that during the year it is planned to spend over £7m on a substantial programme of further investment in the trading estate operations. They anticipate a material increase in rental income in the next 12 months.

With the current high level of interest rates, the acceleration of the property programme decreases net earnings per share in the short term but the directors are confident of the reversionary potential of the trading estate investments.

Table with 2 columns: 1979, 1978. Rows include Turnover, Trading profit, Construction, Distribution, Engineering loss, Metals, Property (inc. axes), Vehicle distribution, Overseas, Homecentres, Interest payable, Share of associates, Profit before taxation, Taxation, Minority interests, and Attributable profit.

The subsidiaries in France are achieving budgeted performance and there will be a full six months contribution from the 24.4 per cent holding in the Whitlock Corporation of the U.S. Current performance of that company is on target. First half pre-tax earnings per 25p share are shown to be down from 7.1p to 6.6p and the net

figure from 4.3p to 4.1p. The interim dividend is effectively raised from 1.53p to 1.5p net—the total for 1978-79 was equal to 3.67p.

comment LCP has turned in some respectable figures with a pre-tax profits rise of 12.9 per cent. This is a greatly diversified group, with interests as different as property, vehicle distribution, and engineering. But the diversity helps to insulate it from specific problems. For example, the engineering dispute and difficulties in the motor vehicle component division caused a £250,000 loss in the engineering division. Yet, overall pre-tax profits are up and a full year income of £6.5m before taxes seems possible. The group's strong suit is its property operations, which account for about a third of profits—these are doing well and should continue to do so with an infusion of £7m of investment during the current year. The net asset value per share now stands at 99p against a share price of 69p. Another positive sign for the group is vehicle distribution, where profits are up 16 per cent. The overseas side of the business has also done well, growing significantly after a £250,000 contribution from the new French DIY acquisition. All in all, things look healthy at LCP—if the full year gross dividend is 6p, a yield of just under 9 per cent is likely. The p/e could be 6.4 on a full tax charge.

Control Securities expansion

TAXABLE PROFITS of Control Securities, property company, jumped from £32,227 to £148,014 in the half-year to September 30, 1979, on increased turnover of £281,413, against £212,033.

The directors expect second-half profits to exceed those now reported, taking into account developments which are due to mature during the period and anticipated profit from recent acquisitions. For the whole of last year, the pre-tax surplus totalled £205,000.

The interim dividend is effectively stepped up from 0.2773p to 0.7p, and the directors hope to pay a total substantially higher than last year's, which was equivalent to 0.86278p.

The directors say the increased half-year profit was due partly to the fact that group borrowings are largely financed by multi-currency loans and are therefore not affected by the high UK interest rates.

Tax takes £250 (nil). There is an extraordinary credit of £132 (£9,875). Earnings per 10p share are given as 1.96p (0.45p). As a result of the recent

acquisition of Immofund 1963, the group's holding in Second City Properties has been raised to just over 10 per cent. Through Immofund, the group has acquired five blocks of flats in Dordrecht, Holland, from which a good profit is expected.

No profit from the new acquisition has been included in the results. The group is controlled by Labafund AG, of Switzerland.

Growth for Northern Goldsmiths

INCLUDING A £109,100 contribution from PTS (Racing) this time, first-half 1978/79 profits before tax of Northern Goldsmiths show an increase from £115,878 to £218,618.

Group turnover in the half year was up from £1.49m to £5.98m. Turnover of the jewellery division was up from £1.49m to £1.78m but profit was lower at £105,392 against

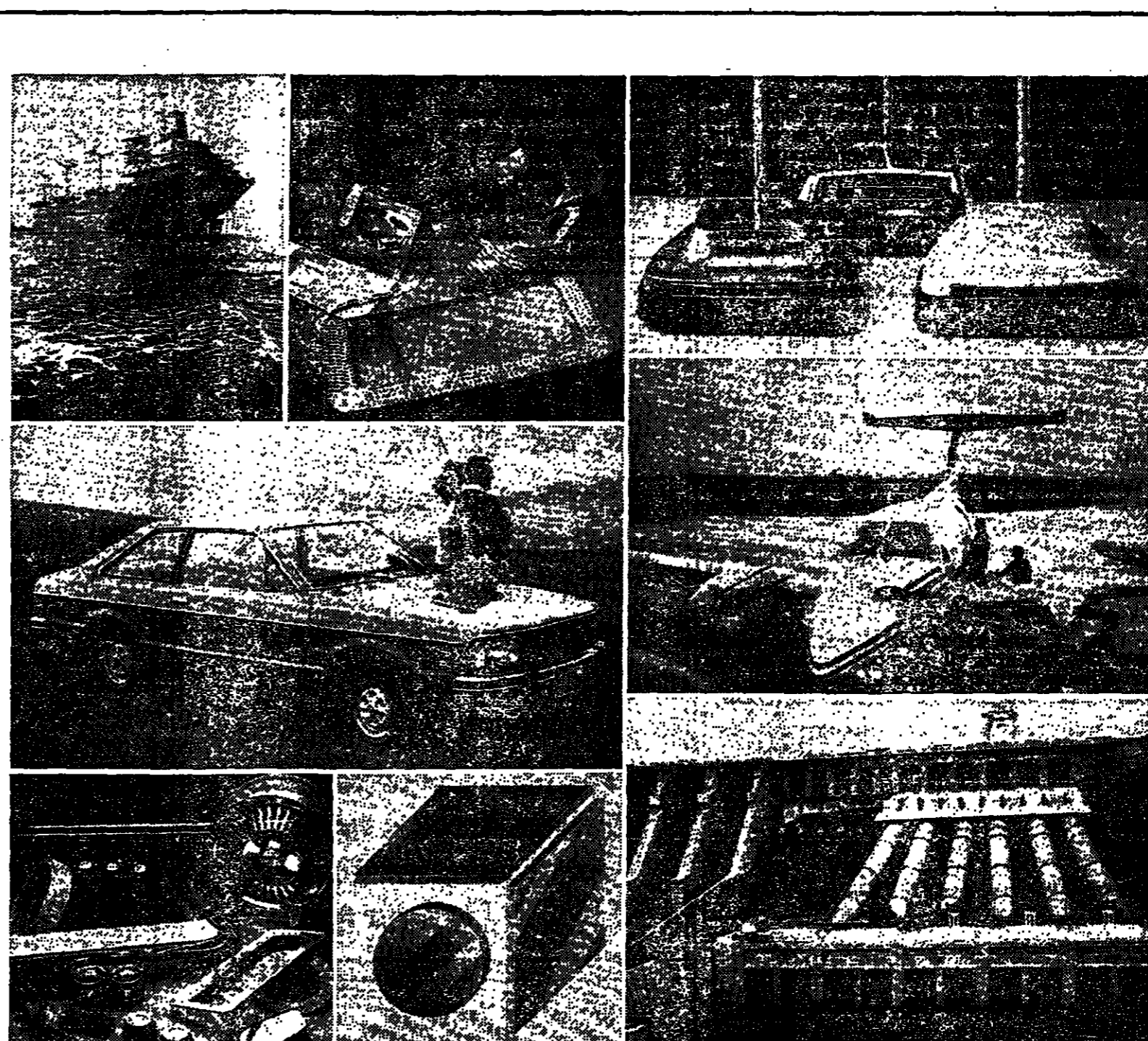
£115,878. The directors point out that the percentage increase in running costs for the first half has been greater than it should be for the whole year.

Sales in the jewellery division have been influenced by VAT changes but with the Christmas period and tax rebates coming into circulation they look forward to an improved second half.

Although the bookmaking side has been hit by the television strike the directors expect it to contribute satisfactorily to group results for the year, provided there is not too much disruption to racing this winter. The directors state that turnover in this division (£4.05m in the half year) is highly seasonal and profit in the second half rarely matches that in the first.

The first half profit before tax included a contribution of £4,126 from Manor House Finance. Tax requires £111,536 (£80,256), leaving a group net profit of £107,082 (£55,625). The net interim dividend is unchanged at 0.25p per 25p share—the total for 1978/79 was 2.38p paid from profits of £433,000. A special interim of 0.434p has already been paid in respect of 1978/79.

Mr. I. D. Wilson has been appointed chairman succeeding Mr. C. M. C. Rayds who will continue as group chief executive and chairman of the jewellery division.



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Table titled 'EUROPEAN OPTIONS EXCHANGE' showing various stock options with columns for Series, Vol., Jan, Last, Apr, Last, July, Last, and Stock price.

Yearlings up to 15%

The coupon rate on this week's batch of local authority yearling bonds is increased from 14 1/2 per cent to 15 per cent. This is just 1/2 of a point below the previous highest level in November 1978 and a point below the peak level of January 1974.

The bonds are dated November 19, 1980, and issued at par. They are: South Bedfordshire DC (£0.25m), City of Norwich (£0.5m), Malvern Hills DC (£0.5m), Tonbridge and Malling DC (£0.5m), Grampian RC (£1m), City of Lincoln (£0.5m), City of Dundee DC (£1m), City of Edinburgh DC (£0.5m) and Tendring DC (£0.5m).

Today's Company Meetings

Danks Goweron, 357 Halswell Road, Netherpton, Dudley, West Midlands, 12.00. Sanderson, Murray and Elder, Victoria Hotel, Bridge Street, Bradford, 12.15. George H. Scholes, Wylox Works, Wythenshawe, Manchester, 12.00. Stoddard, Glenpatrick Works, Elderslie, Johnstone, Renfrewshire, 12.00. Trafford Park Estates, Midland Hotel, Peter Street, Manchester, 12.00.

BIDS AND DEALS

EMI medical side 'needs special consideration'

SIR RICHARD CAVE, chairman of Thorn Electrical Industries, tells his shareholders that he does not "underestimate the difficulties" involved in taking over EMI. But its music business will expand Thorn's own home entertainment side, the leisure business will provide diversification, and defence and industrial electronics will improve Thorn's technological base.

The medical electronics operation "would need to be given special consideration," he says.

The letter outlining these points invites shareholders to a special meeting on December 5 to approve the bid for EMI, authorise an increase in capital and change the name of the company to Thorn EMI.

The £165m bid will close the day before and in the case of the cash element only, will not be extended.

Meanwhile, EMI is promising its annual report and accounts tomorrow.

Sir John Read, chairman of EMI, has already foreshadowed much of his annual statement in his letter with the offer document. Current order books for defence electronics are at record levels, he says.

The film programme is expanding. Margins in the music business remain under strain but benefits should be coming through as a result of recent "strengthening measures." Nevertheless, "much needs to be done."

So far as the loss-making medical electronics side is concerned, Sir John confines himself to saying that the new CT 7070 scanner has been "well received" and he understands Thorn intends fully to support

the 1,000 scanners already installed round the world.

The remainder of the offer document contains few new facts, apart from the terms of the offer for the two classes of preference shares. Thorn is offering 51p in cash for each of EMI's 3.5 per cent preference stock, and 88p for each of the 4.025 per cent class.

Thorn has agreed to bear all the expenses related to the merger which are estimated at £8.75m excluding VAT.

See Lex.

BLACKWOOD HODGE BUYS FROM NCC

The Blackwood Hodge Group has purchased NCC Commercial Vehicles and its subsidiaries for £1.79m cash. The companies acquired form the commercial vehicle division of National Carbonsing Company and have been sold in pursuance of the NCC board's policy of concentrating activities in the sphere of energy.

Group profits before tax of NCC were £166,000 for the year ended March 31, 1979. The value of its net assets at that date were £1,286,000.

KITCHEN QUEEN —MOBEN HOME

Direct selling is the fastest growing sector of the fitted kitchen market, writes Mr. N. B. Johnson, chairman of Kitchen Queen, in a circular to shareholders about the proposed purchase of Moben Home Improvements for a maximum of £5.2m. Recommending the deal, Mr. Johnson says that Kitchen Queen

had investigated the idea of going into this field in its own right. But its studies revealed that Moben was already the clear market leader and that setting up a competitor would divert a considerable amount of management time and resources. Moben has an "individual and highly successful formula," says Mr. Johnson.

The price to be paid is a minimum of £2m up to a maximum of £5.2m depending on the profits made by Moben in the year to August 31, 1980. The higher figure will be payable if Moben makes pre-tax profits of £1.5m or more in the five months to August 31, 1979, Moben made a trading profit of £63,000 by a new subsidiary completing pre-acquisition obligations which have now come to an end.

In return for its initial outlay of £2m, Kitchen Queen will have received net tangible assets of £111,000. The goodwill arising will be written off against revenue reserves in the year of acquisition. The directors consider this will not adversely affect Kitchen Queen's dividend policy.

Current trading at Kitchen Queen itself is said to be "continuing at a satisfactory level."

Current trading at Kitchen Queen itself is said to be "continuing at a satisfactory level."

SKETCHLEY

Sketchley has acquired M. Collins and associated companies for £890,000 cash and a further sum, still to be determined.

The companies operate a total of 22 dry-cleaning outlets under the Collins name in Central London and under the name of Cardinal Cleaners in Surrey and Sussex.

KCA buying oil services concern

KCA International, the oil servicing and contracting group, is buying 83.7 per cent of Exploration and Production Services from New Court Natural Resources and plans to make an offer for the minority interest in a deal which values the group at £1.5m.

Exploration and Production Services was formed in 1973. It provides a wide range of specialist services to the oil and gas industry during the exploration, development and production of oil and gas fields. Net profits for the year to March 31, 1979, were £305,446.

Other services of Exploration and Production include well-testing, wire-line engineering, production services and fluid sampling which are provided on about 25 per cent of mobile rigs and 80 per cent of the production platforms in the North Sea as well as in a number of overseas locations.

Mr. Paul Bristol, chairman of KCA, said yesterday that the deal was being financed from KCA's liquid resources. He added that the purchase of Exploration and Production and KCA would offer considerable opportunities for both companies to develop their servicing activities worldwide.

"With the expected upturn in oil and gas exploration and production activity, Exploration and Production will be a very important part of the KCA group and will add substantially to overall group profits," he said.

ANTONY GIBBS

Antony Gibbs Holdings, the small City accepting house in which the Hongkong and Shanghai Banking Group holds a 40 per cent stake, has sold its 25 per cent stake in Wirtschafts- und Privatbank of Zurich for £1.2m.

The purchase is a very important part of the KCA group and will add substantially to overall group profits," he said.

RANK SALE

Limond Electronics has acquired from the Rank Organisation the Baron navigation instrument business. The consideration is considerably less than 1 per cent of the net assets of Rank.

ROTORK

Rotork has agreed to purchase 40 per cent of John Dawson Motor Holdings, the west country motor shop group, for up to £200,000 cash, contingent upon the audited results to September 30, 1979.

STANLEY/BLAKEY

A. G. Stanley Holdings has compulsorily acquired the ordinary shares of Morris and Blakey Wall Papers outstanding following its offers for the ordinary and "A" non-voting shares of the company. The offer for the "A" shares has closed with acceptances of 85.82 per cent bringing Stanley's holding of this class to 86.54 per cent.

SHARE STAKES

City Offices Company—Mr. George Xenophon Constantinidi, director, has become beneficially interested in a further 100,000 ordinary making holding 618,130.

North British Properties—Sun Life Assurance has acquired 200,000 ordinary making holding 2,795,000 (21.58 per cent).

West Bromwich Spring Company—D. A. Cooper-Smith, director, has acquired a non-beneficial interest in 185,000 ordinary, making holding 619,625.

NEIL & SPENCER IN £1.7M DEAL

Neil and Spencer Holdings has exchanged conditional contracts for the acquisition of Westair-Hargreave for £1.7m in cash and shares.

Westair-Hargreave manufactures industrial air control and dehumidifying equipment and other types of air control systems for the Ministry of Defence.

It employs approximately 280 people at East Molesey and Shildon, County Durham.

Profits before tax of Westair-Hargreave for 1978 were £500,000 and the vendors, J. M. Hargreave (Holdings), majority shareholders in Westair-Hargreave, have warranted that pre-tax profits for 1979 will be not less than approximately £1.4m.

Mr. John Box, chairman of Neil and Spencer, says there is a close similarity in terms of product design, manufacture, marketing and general management techniques. "We believe that demand for Westair-Hargreave's products is capable of significant expansion with the support of our UK and overseas marketing and service resources."

Panto reducing tobacco stock

The Board of P. Panto, the wholesale tobacconist, confectioner and grocer, has agreed with ICFC to reduce its tobacco stock levels by £360,000 by December 22.

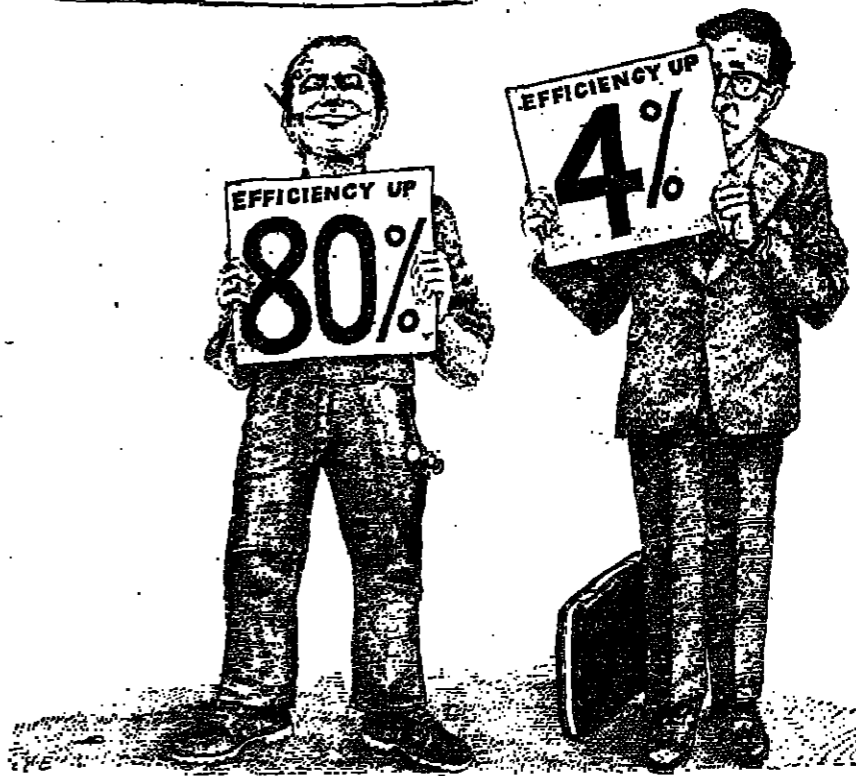
The agreement was part of the arrangement announced last week whereby ICFC is to make a secured loan of £490,000 to Panto which incorporates an option to subscribe for 16.35 per cent of the equity.

Panto has agreed that tobacco stocks and other lines will be kept at a level which does not involve additional short term funds.

The Board believes that having regard to available bank and other facilities, the company and its subsidiaries will have sufficient working capital for their present requirements.

The recent sharp competition between tobacco manufacturers has eroded margins, says Panto, and this, together with inflation, has caused pressure on the company's resources.

هكاز من الثور



Maybe management ought to do for the office what they did for the shop-floor.

If the figures above surprise you, maybe they shouldn't. Over the last 20 years, European management spent an estimated £15,000 per man on capital equipment, time and motion studies, and other shop-floor programmes and got a considerable return for their money.

According to a survey carried out by the international computer company, Digital Equipment Corporation, the factory worker in Europe is now 80% more efficient than he was 20 years ago. During the same period, the office worker notched up a humble 4% increase.

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- ★ The British banks in the Euro-Currencies, Credits and Bond markets after UK exchange controls abolition
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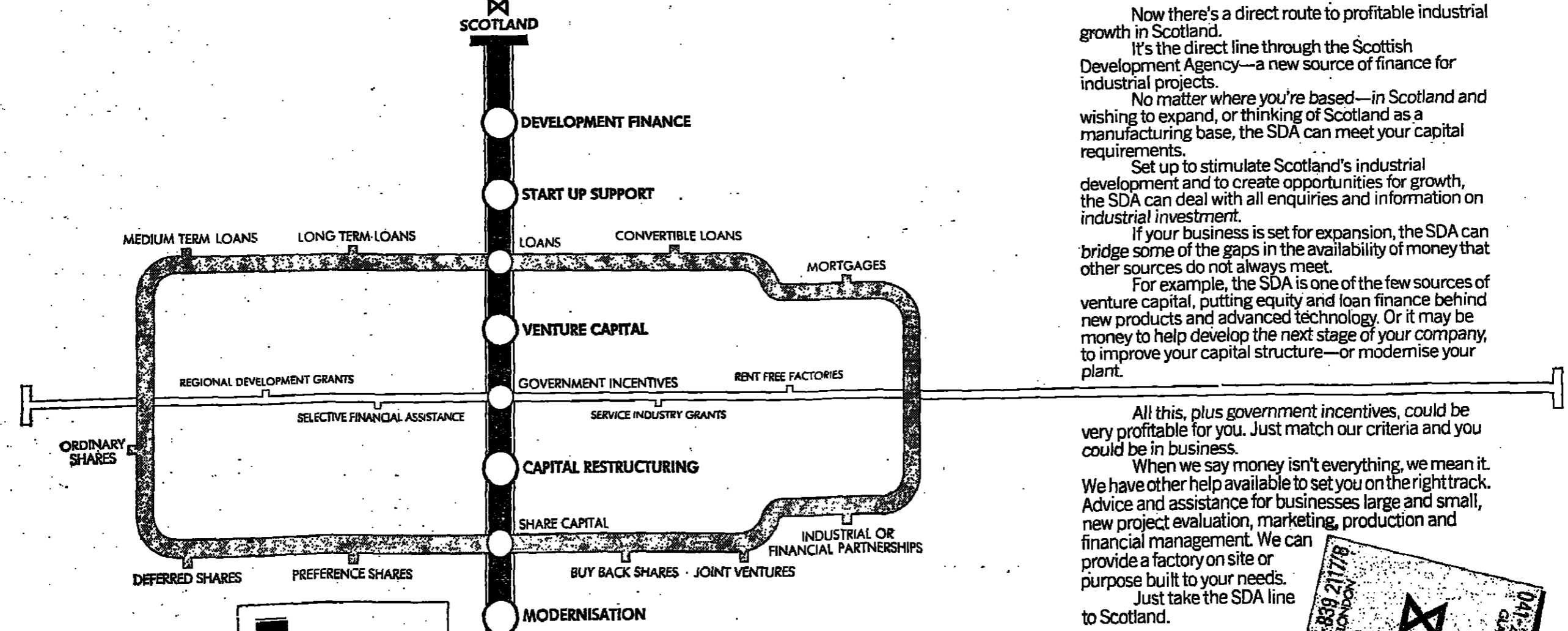
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INTERNATIONAL COMPANIES and FINANCE

NORTH AMERICAN NEWS

Penney hit by slowdown in consumer spending

BY STEWART FLEMING IN NEW YORK

THE MARKED slowdown in consumer spending and the continued rise in costs has hit the third quarter earnings of J. C. Penney, the second largest retail stores group in the U.S. The company reported that third quarter earnings were 13.7 per cent down at \$60m compared with \$68m a year ago.

Advance at Canadian Pacific

BY ROBERT GIBBENS IN MONTREAL

CANADIAN PACIFIC LTD., the main holding company for all the Canadian Pacific interests, pushed earnings 52 per cent ahead to C\$365m or C\$5.11 a share in the first nine months of this year against C\$241.4m or C\$3.34 a share a year earlier.

Bell Canada seeks ruling

TORONTO — Bell Canada applied yesterday to the Canadian Radio-Television Telecommunications Commission (CRTC) asking it to decide whether the public should be allowed to connect telephones to the Bell network.

BANK RESULTS

Slower growth in profits ahead

BY STEWART FLEMING IN NEW YORK

FOR TWO leading U.S. banks, the third quarter of 1979 was a landmark. Both Bank of America and Citicorp reported that their total assets had surpassed \$100bn. But for the industry as a whole, the quarter almost certainly marks a turning point.

From this point on, the unprecedented profits growth which most of America's 14,000 banks have experienced over the past three years—stemming from a combination of credit expansion and inflation—is likely to slow.

Mr. Paul Volcker, chairman of the Federal Reserve Board, warned the banking industry at the beginning of October that the Central Bank's redoubled efforts to control inflation through a further tightening of credit was not designed to make bankers' lives easier.

In the past three years, the U.S. banking industry's profits have been barreling along.

There was little sign of the tougher times ahead in the third quarter figures just released by the major banks.

Air Canada sale urged

BY VICTOR MACKIE IN OTTAWA

THE CANADIAN Government should allow individual Canadians to buy shares and invest in Air Canada, the Government-owned airline within two years, said Mr. Claude Taylor, the airline's president.

Table with columns: BANK, TOTAL ASSETS, Change on Sept. 30, Third quarter, NET INCOME, Change on last third quarter, Nine months, Change on previous nine months. Rows include Bank of America, Citicorp, Manufacturers Hanover, Morgan Guaranty, and Continental Illinois.

bank profits next year. Mr. Salem suggests that if it occurs it will result in a "huge improvement" in banks' net interest margins.

There was little sign of the tougher times ahead in the third quarter figures just released by the major banks.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists.

Table with columns: U.S. DOLLAR, Issued, Bid Offer, Change on day week, Yield. Lists various international bonds like Silco Australia, Alex Howden, etc.

EUROBONDS

Dollar sector marked by strong rally

By Francis Ghilès

DOLLAR BOND prices continued to rally strongly yesterday as prices were marked up across the board by an average of one point.

Table with columns: DEUTSCHE MARK STRAIGHTS, Issued, Bid Offer, Change on day week, Yield. Lists bonds like African Dev. Bk., Argentina, etc.

While no dealer is prepared to bet that interest rates in the U.S. have peaked, a growing number feel that the bond rally under way could last beyond the end of this week.

Table with columns: SWISS FRANC STRAIGHTS, Issued, Bid Offer, Change on day week, Yield. Lists bonds like Austria, BNP, etc.

The rise in prices has knocked a solid 20 basis points off the yield of a number of issues: a good case in point is the Dow Chemical 9 1/2 per cent bond to 1994 which offered a yield of 11.60 per cent at the start of trading yesterday.

Table with columns: YEN STRAIGHTS, Issued, Bid Offer, Change on day week, Yield. Lists bonds like Australia, Austria, etc.

American Express Group is arranging a \$15m floating rate note certificate of deposit for Banco de Vizcaya.

The harder currency sectors of the market remain depressed. Prices slipped by about half a point across the board in the Deutsche-Mark sector.

Selling pressure continues to depress Swiss Franc foreign bonds, which have shed a full point so far this week.

credit worthiness of some of their shareholders' funds was their out-forecasting, particularly in the case of the real estate projects they were involved in before the Fed's October 6 policy change.

As the economy slows, fast-growing business borrowing needs can also be expected to decline. Indeed there are already signs

that this may be happening. In October, the growth of commercial and industrial loan volume slowed sharply.

There are signs, too, that the spread between what banks charge for funds and what they will be squeezed.

Another factor which will slow earnings growth is the fact that many banks are approaching the limits of their ability to expand their balance sheets

more rapidly than the growth of their shareholders' funds was their out-forecasting, particularly in the case of the real estate projects they were involved in before the Fed's October 6 policy change.

As they assess the prospect for the major banks, investors are already taking a cautious view. In part this is due to memories of the disaster and billions of dollars of losses which piled up at banks as the 1974-75 recession gathered pace.

But the stock market is taking no chances. The shares of major banks are selling at more than six times historical earnings, compared with over 12 times in 1974 and, in many cases, at substantial discounts on book value.

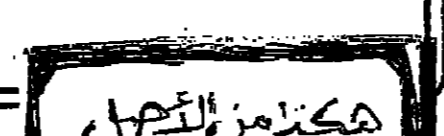
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British Steel Corporation advertisement featuring a large 'S' logo and the text '£14,588,235 Bareboat Charter Financing'.

HEMISC advertisement for Helicopters International, Inc., offering a US \$8,000,000 Medium Term Loan.

Twin Otter Limited advertisement offering a US \$7,312,500 Export Finance Facility for Metro Airlines.



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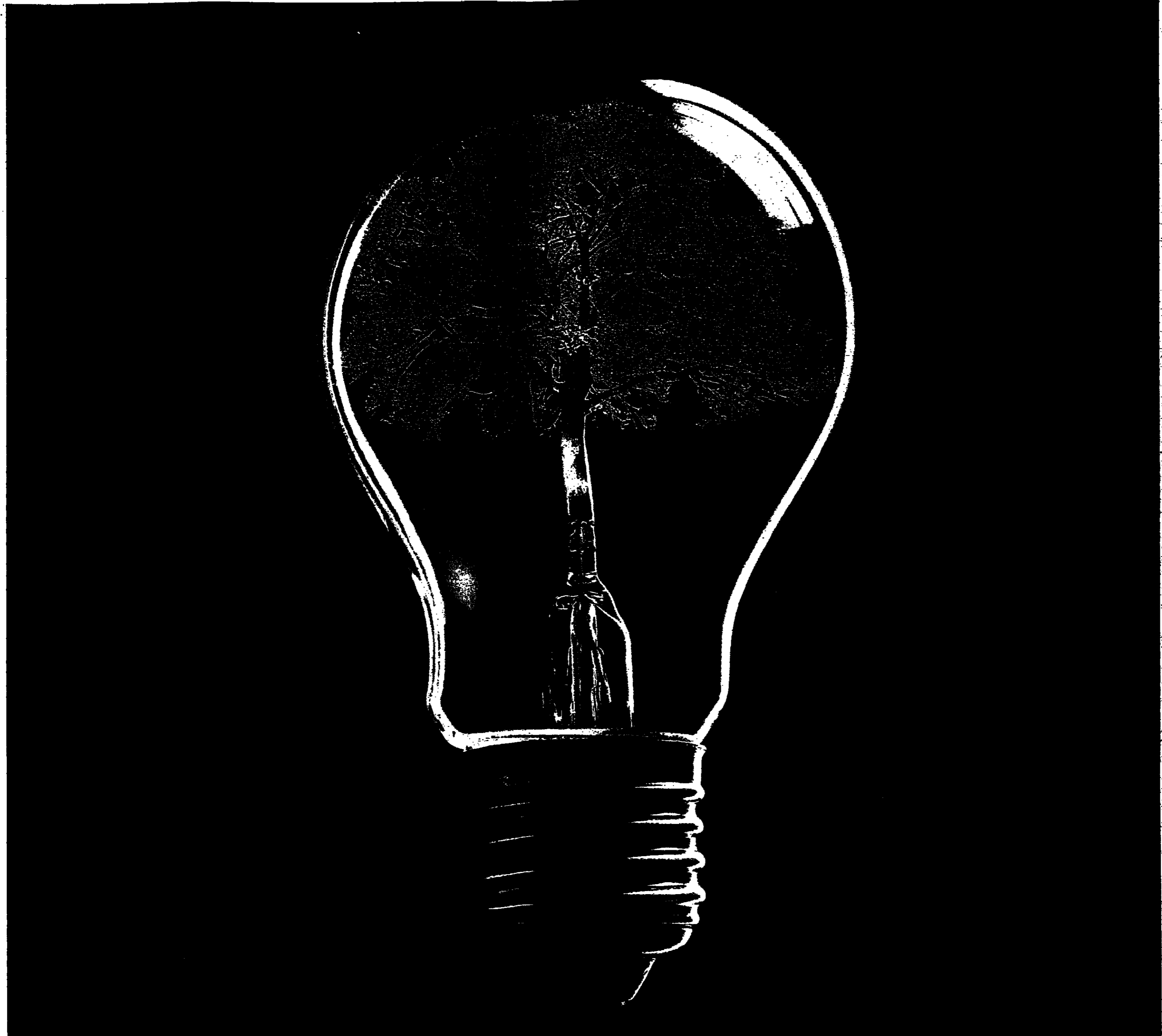
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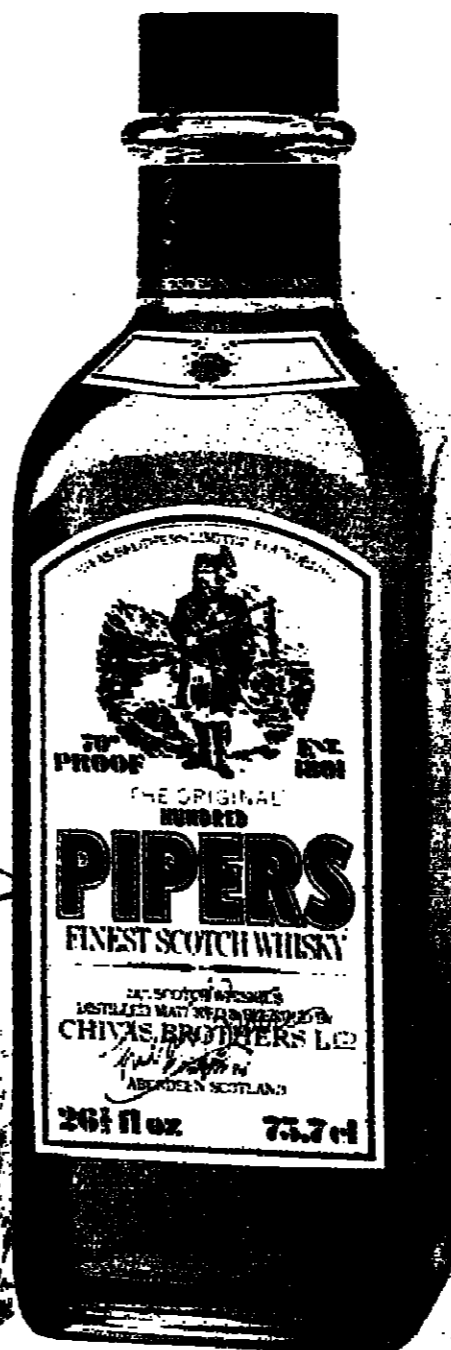
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Castlemaine Perkins and Tooheys A\$205m merger

BY JAMES FORTH IN SYDNEY

CASTLEMAINE PERKINS, the Queensland brewer, plans an A\$205m (US\$223m) merger with Tooheys, the New South Wales brewer. The move has taken the market by surprise, because Castlemaine was in the midst of an A\$87m bid for another Queensland group, Bundaberg Sugar.

The bid for Bundaberg was called off yesterday, immediately before the merger was announced. The new group, to be known as Castlemaine Tooheys, will become the second largest brewery group in Australia, after the Victoria-based Carlton and United Breweries.

By coincidence, the present number two, Tooth and Co. of NSW yesterday announced a 3 per cent decline in profit for the September half-year from A\$5.1m to A\$4.73m (US\$5.2m). The merger will be completed by offering Castlemaine scrip. The formation of a hold-

ing company to acquire both companies was considered, but was rejected on the ground of costs.

A scheme of arrangement was also considered, but this method recently came under attack in court with the proposed merger of the ANZ Banking Group and the Bank of Adelaide. Castlemaine will therefore offer three of its shares plus A\$1 cash for every five Tooheys shares. This puts a value on Tooheys scrip of A\$2.12, compared with yesterday's closing market price in Sydney of A\$1.60. Mr. Keith Showering, the chairman of Allied Breweries, who is also a Tooheys director, played an important role in the merger. Mr. Showering arrived in Australia last week for a visit and stopped off in Brisbane to put the merger proposal to the Castlemaine board.

Allied at present holds 25.7 per cent of Tooheys and 1.8 per

cent of Castlemaine, and will own 14.8 per cent of the merged group. This puts it under the 15 per cent level at which the group would be considered foreign. The merger will create a substantial group, marketing beer, wine, coffee and tea (Tooheys recently acquired Allied's Tetley Tea and Robert Timm's coffee interests in Australia). The combined group will have shareholders' funds of more than A\$205m and total assets of more than A\$285m.

Both companies have forecast increased earnings, and it is expected that Castlemaine Tooheys will pay a dividend of 20 cents a share, an increase of 25 per cent for Castlemaine holders and 26.3 per cent for Tooheys holders. It is intended at this stage to have joint managing directors, and the board of the merged concern will have an equal number of Castlemaine and Tooheys representatives.

Strong recovery at NTN Toyo Bearing

By Yoko Shibata in Tokyo

NTN Toyo Bearing, Japan's second largest bearings manufacturer, showed a strong recovery in earnings for the first-half, to September, as a result of buoyant demand for ball joints for front wheel drive (FF) cars.

Operating profits reached Y3,380m (\$13.7m) against an operating deficit of Y394m the same period of the previous year. Net profits improved to Y1,430m, from a net deficit of Y130m. Sales rose 24.8 per cent to Y71.1bn (\$296m).

Among Japanese bearing manufacturers, Toyo Bearing is the only one which specialises in the manufacture of ball joints for FF cars, under licence from Hardy Spicer of the UK. The car industry's trend toward front drive brought the company sales of ball joints up by 30 per cent to Y11.1bn. The rapid recovery of demands for ball bearings meant that the bearing division was running at full capacity, which cut down fixed costs significantly. Helped by the yen depreciation and low inventory levels at customers abroad, the company's exports reached Y15bn, up 31.9 per cent to account for 22 per cent of the total sales.

For the current half of the fiscal year, the company foresees further strong demand for ball joints. Operating profits for the full fiscal year are expected to be Y7bn, up 9.4 times, with net profits reaching Y3.3bn, up 3.86 times, on sales rising 24 per cent to Y147bn.

At the end of current fiscal year, the company intends to restore a dividend of Y5 per annum, after two years without a payment.

Sanko Steamship back in the black after two years

BY RICHARD C. HANSON IN TOKYO

SANKO STEAMSHIP, after weathering six years of depressed world shipping markets, has benefited from higher freight rates and a reduction in expenses for chartered ships, to post its first operating profit in two years, the half-year to September 30.

Revenues for the shipping company, which specialises in the still depressed tanker market, rose 13.2 per cent in the half-year to Y159.34bn (\$645m), compared with the same period of the previous year. Operating profits amounted to Y563m, against a loss of Y627.2bn a year earlier. Net profits, boosted by gains from sales of securities, increased to Y1.6bn (\$6.5m) from Y137m.

The biggest advance during the half year came from bulk cargo operations between the Americas and Japan where the freight charge for grain, for example, has nearly doubled

from the level a year ago. The rates for VLCC tankers is still below profitable levels, but show a substantial recovery from depths reached in the spring of 1978. Middle size tanker business improved sharply.

Sanko, along with the other major shipping companies, benefited from a Government programme aimed at reducing Japan's current account surpluses by financing the purchase from abroad of the so-called "tie-in" ships which the companies had previously chartered. Sanko bought back 13 of these ships, which brought savings in charter fees of Y7bn.

Sanko was also able to sell four of its VLCC tankers to the Government under a plan to build up the country's emergency reserves of crude oil.

At present, Sanko owns 45 ships (30 tankers). When chartered ships are included the

total rises to 294 ships (102 tanker bottoms) or dwt 24m. This is down from the pre-oil crisis peak of over dwt 25m.

The company, during the years immediately following the 1973 oil crisis, maintained its profitability because of long-term contracts on its tankers made when the market was at its peak, supplemented by heavy sales of securities. The price of the protracted depression was high, however. The company's long-term debts still run at around Y195bn.

Sanko is the only major shipper in Japan which has avoided direct Government subsidies, unlike companies like Japan Line, which has received subsidies for tanker bottoms which is still undergoing financial reconstruction.

Sharp rise at Nisshin Steel

By Our Tokyo Correspondent

NISSHIN STEEL, Japan's sixth largest integrated steelmaker improved its earnings sharply in the first half of the fiscal year, helped by a recovery in export profits resulting from the yen's depreciation.

The company's operating profits went up by 61.1 per cent in the six months to September to Y12.14bn, and net profits by 82.8 per cent to Y6.43bn (\$26m) on sales of Y163.04bn (\$660m), up 14.6 per cent.

The sharp gain in earnings was attributed to a shift to high added-value products, the improvement in exports apart.

For the current fiscal year, ending next March, Nisshin Steel expects sales of Y222bn, up 11.6 per cent, operating profits of Y21.5bn, up 6.4 per cent, and net profits of Y11bn, up 25 per cent.

Record CSR issue to fund bid

BY OUR SYDNEY CORRESPONDENT

CSR HAS arranged the largest equity underwriting to date in Australia to ensure the funding for its A\$465m takeover offer for Thies Holdings, the Queensland coal, civil engineering and motor vehicle distribution group. CSR, the industrial and mining group, has offered five of its shares plus dollars A\$5.40 cash for every four Thies shares, or a cash alternative of A\$6.74 a share. Based on CSR's closing price of A\$4.80 in Sydney yesterday, the share-cash terms are worth A\$7.10 for Thies shares, which closed on the market at A\$6.94.

An underwriting syndicate

has agreed that, where Thies holders elect to take the cash alternative, they will take up the CSR shares which would have been issued. Thies has 65.2m shares on issue, but the underwriting agreement relates to 30m shares.

CSR already owns 12.5m Thies shares, or 19 per cent of the capital, following a market operation late last month. The CSR board therefore expects that holders of at least 23m Thies shares will accept the share and cash terms.

The Thies Board is resisting the bid, but if the three major holders accept, CSR would already hold just over 50 per cent of the capital, and have outright control.

The eight-member co-underwriting team comprises three of the major trading banks; Bank of New South Wales group companies; the Commercial Banking Company of Sydney group of companies; and the Commonwealth Trading Bank, and five merchant banks; Australian United Corporation; Capel Court Corporation, Citinational; Morgan Grenfell Australia; and Schroder Darling.

If holders of 30m Thies shares accepted cash it would involve the syndicate accepting 37.5m CSR shares at A\$4.31, the price at which the share-cash terms equals the A\$6.74 cash alternative. This puts a value of A\$161m on the underwriting agreement.

Stiff competition hits Japan confectioners

BY OUR TOKYO CORRESPONDENT

JAPAN'S CONFECTIONERY industry faces a bleak outlook. Stiff competition is forcing companies to cut back their work forces and to reorganise their finances.

Morinaga and Co., the largest confectionery maker, suffered a net loss of Y2.51bn (\$1m) in the half-year to September 30, against a profit of Y317m a year ago — only the second loss in its 60-year history.

Meiji Seika, another leading confectioner, saw its net profit and sales cut, but was helped by improved sales in its pharmaceutical division.

Its sales during the half-year were down 7.8 per cent, to Y90.6bn, while net profits plunged 51.9 per cent to Y1.8bn.

Foodstuffs (including confectioneries) sales at Meiji were down 16 per cent. On the other hand, pharmaceutical sales rose 6 per cent and accounted for 33 per cent of all sales against 23 per cent a year ago. Exports of drugs (11 per cent of drugs sales) were up about 20 per cent mostly to South East Asia and Europe.

Meiji cut its dividend to 12 per cent from 15 per cent last year.

Morinaga's sales in the half-year fell by 16.9 per cent to Y30.37bn (\$206m), reflecting slow sales of ice cream and soft drinks during the chiller-than-normal summer months. Competition among confectioners prevented mark-ups in prices, and employee lay-offs and inventory adjustments meant high costs.

The company has (under the leadership of a new president appointed in June) been reducing the number of employees from nearly 5,000 last year to a target of 3,500. About 450 part-time workers were, in addition, laid off during the half.

Morinaga has divested itself of two plants and consolidated two others. It will cut year-end bonuses by 5 per cent and has asked all its employees over the age of 55 to retire. The company's debts, however, have been pared slightly, to about Y23.5bn, the half, and the cost of discharging employees and of other rationalisation measures, is largely covered by special reserves.

For the full year, Morinaga expects to run up a net loss of Y3.5bn, against a Y333m profit last year, the dividend will be passed.

Meiji Seika was bolstered by its pharmaceutical business, mainly involved in antibiotics.

Advance by Mitsui Real Estate

TOKYO — Mitsui Real Estate Development Company, the Japanese estate company, increased its net profit in the first half-year, ended September 30, by 6.9 per cent to Y2.16bn (\$8.7m), from Y2.02bn in the same period of the previous year.

Sales gained 16.7 per cent to Y66.65bn (\$270m), from Y57.12bn. Per-share profit was Y7.33, compared with Y7.92. The interim dividend was unchanged at Y3.75 a share.

Revenues were boosted by the company receiving a Y1.8bn reclamation work order in the period.

Improved results at ISCOR

BY BERNARD SIMON IN JOHANNESBURG

THE STATE-owned South African Iron and Steel Corporation (ISCOR) which produces 70 per cent of the country's steel has reported a trading profit of R93.5m (\$113m) for the year to June, compared with a R22.2m loss in the previous year.

As a result of record finance charges, however, the Corporation showed a net loss of R38.2m. Nonetheless this was well below last year's loss of


R73.2m. ISCOR last turned in a net profit in 1978.

Despite the loss of its profitable Iranian market, Dr. T. F. Muller, ISCOR's chairman, said that higher export prices and more favourable distribution among marketing areas were the main reasons for the improved results. ISCOR is believed to have diverted the steel previously sold in Iran to markets in the Far East, South America and Canada.

Other factors contributing to the better results were higher output and sales volumes and improved productivity.

Dr. Muller said that ISCOR's finances had continued to improve since the end of the financial year. A net profit of R40m was realised between July and October. He warned, however, that this rate of profitability might not be maintained for the rest of the year.

THIS ANNOUNCEMENT APPEARS AS A MATTER OF RECORD ONLY



SAGA PETROLEUM A.S.

U.S. \$150,000,000

TEN YEAR LOAN

MANAGED BY

CITICORP INTERNATIONAL GROUP	DEN NORSKE CREDITBANK	BERGEN BANK
CHRISTIANIA BANK OG KREDITKASSE	UNION BANK OF NORWAY LTD.	ANDRESENS BANK A.S.

CO-MANAGED BY

CHASE MERCHANT BANKING GROUP	CREDIT LYONNAIS
DEUTSCHE BANK	UNION BANK OF SWITZERLAND
COMPAGNIE FINANCIERE LUXEMBOURG	

PROVIDED BY

CITIBANK, N.A.	THE CHASE MANHATTAN BANK, N.A.
CREDIT LYONNAIS	DEUTSCHE BANK
UNION BANK OF SWITZERLAND	COMPAGNIE FINANCIERE LUXEMBOURG
BERLINER HANDELS- UND FRANKFURTER BANK	THE BANK OF NOVA SCOTIA
MIDLAND BANK LIMITED	CHANNEL ISLANDS LIMITED
DEN NORSKE CREDITBANK (LUXEMBOURG) S.A.	CHEMICAL BANK
MANUFACTURERS HANOVER BANK (GUERNSEY) LTD.	MORGAN GUARANTY TRUST COMPANY OF NEW YORK
CHRISTIANIA BANK OG KREDITKASSE	BERGEN BANK INTERNATIONAL S.A.
UNION BANK OF NORWAY LTD.	TEXAS COMMERCE BANK NATIONAL ASSOCIATION
	ANDRESENS BANK INTERNATIONAL S.A.

DEN NORSKE CREDITBANK AGENT

SEPTEMBER 27, 1979

This announcement appears as a matter of record only

Wartsila Inc

a US subsidiary of

Oy Wartsila AB

has acquired

Colton Manufacturing Inc
Colton, California

from

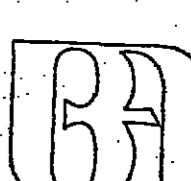
Familian Corp

We acted as financial adviser to the acquirer


Corporate Finance Department

Bank of America International Limited

St Helens, 1 Undershaft, London EC3A 8HN



This Announcement Appears as a Matter of Record Only



Saga Petroleum U.S. Inc.

U.S. \$10,000,000

Production Loan

Arranged and Provided By

Citibank, N.A. Nordic American Banking Corporation

Citibank, N.A. Agent

September 21, 1979

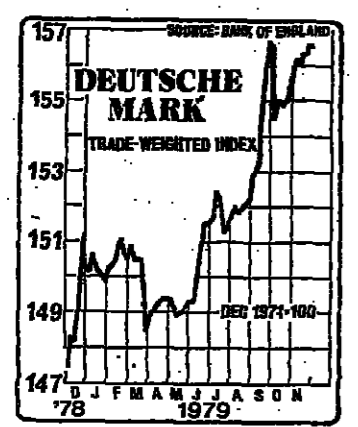
Handwritten signature in Arabic script

CURRENCIES, MONEY and GOLD

Pound firm

Sterling was firm in active foreign exchange trading yesterday, while the U.S. dollar lost ground against most major currencies. The pound opened at \$2.1145-2.1155, and touched a high point of \$2.1150-2.1160 in early trading, following the Prime Minister's speech at the Lord Mayor's Banquet on Monday. Trading was generally thin, however, with sterling falling to \$2.1100-2.1110 in the afternoon, reflecting selling in New York. Sterling closed at \$2.1095-2.1105, a fall of five points.

SwFr 1.6765. The Japanese yen was weak in early trading—after touching a two-year low in Tokyo—but improved towards the London close, with the dollar falling to ¥248.60 from ¥247.25. FRANKFURT—The Bundesbank did not intervene when the dollar was fixed at DM 1.7995 against the D-mark, compared with DM 1.8000 previously. Trading was narrow, with the U.S. currency falling from a high level of DM 1.8040. The early rise followed news that President Carter had imposed an embargo on Iranian oil imports. Sterling rose to DM 3.7800 from DM 3.7800, while the Swiss franc eased to DM 1.0770 from DM 1.0778. Among members of the European Monetary System, the French franc fell to 371.42670 per 100 francs from 371.42950; the Belgian franc to DM 6.1790 per 100 francs from DM 6.1790; and the French franc to DM 4.2670 from DM 4.2690. The Irish punt fell to DM 3.7020 from DM 3.7040.



On the day, while its trade weighted index was unchanged at 68.0, after standing at 68.4 in the morning and 68.2 at noon. The Bank of England probably intervened when sterling fell to its lowest level, but the dollar was also weak for most of the day and finished around its worst level in terms of most major currencies. The U.S. unit traded between DM 1.7990 and DM 1.8045 against the D-mark, before closing at DM 1.7990 compared with DM 1.7980 previously. It finished at SwFr 1.6575 against the Swiss franc, compared with SwFr 1.6555 on Monday, after trading within a range of SwFr 1.6570 and

THE DOLLAR SPOT AND FORWARD

Table with columns: Nov. 13, Day's spread, Close, One month, % Three p.a., % p.a. It lists exchange rates for various countries including UK, Ireland, Canada, Netherlands, Belgium, Denmark, W. Ger., Portugal, Spain, Italy, Norway, Sweden, Japan, Austria, and Switzerland.

THE POUND SPOT AND FORWARD

Table with columns: Nov. 13, Day's spread, Close, One month, % Three p.a., % p.a. It lists exchange rates for various countries including U.S., Canada, Netherlands, Denmark, Ireland, W. Ger., Portugal, Spain, Italy, Norway, Sweden, Japan, Austria, and Switzerland.

CURRENCY RATES

Table with columns: Nov. 13, Bank Rate, Special Drawing Rights, European Currency Unit, Nov. 13, Bank of England, Morgan Guaranty, Index changes. It lists rates for Sterling, Canadian dollar, Australian dollar, New Zealand dollar, Hong Kong dollar, etc.

OTHER MARKETS

Table with columns: Nov. 13, C, \$, Note Rates. It lists prices for various commodities and currencies like Argentina peso, Australian dollar, Brazil cruzeiro, etc.

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EMS EUROPEAN CURRENCY UNIT RATES

Table with columns: Currency, % change, % change against ECU, % change against DM, % change against Sfr, % change against Lit, % change against Ptas, % change against Esc. It lists rates for various European currencies.

EXCHANGE CROSS RATES

Table with columns: Nov. 13, Pound Sterling, U.S. Dollar, Deutschmark, Japanese Yen, French Franc, Dutch Guilder, Italian Lira, Canadian Dollar, Belgian Franc. It lists cross rates between major currencies.

EURO-CURRENCY INTEREST RATES

Table with columns: Nov. 13, Sterling, U.S. Dollar, Canadian Dollar, Dutch Guilder, Swiss Franc, West German Mark, French Franc, Italian Lira, Asian \$, Japanese Yen. It lists interest rates for various Euro-currency deposits.

INTERNATIONAL MONEY MARKET

Further increases were announced by the Belgian National Bank yesterday in rates on Treasury certificates. Three-month bills and four-month notes were raised to 14.25 per cent from 14.20 per cent while six-month certificates jumped to 14 per cent from 12 per cent and nine-month bills increased to 13 per cent from 11 per cent. Longer term rates were unchanged, when rates were last increased on November 6. One- and two-month Treasury certificates currently stand at 14 per cent.

GOLD

Gold fell \$6 an ounce in quiet trading to \$387.38 in the London bullion market yesterday. After opening at \$389.30, the metal eased to \$388.00 at the morning fixing, reflecting a firmer tendency in the dollar, and fell to \$387.20 at the afternoon fixing before recovering slightly to close at \$387.50. In Frankfurt the 12 1/2 kilo bar closed at DM22,435 per kilo (\$388.05 per ounce) compared with DM22,715 (\$392.98) previously. It appeared to have little effect on trading.

UK MONEY MARKET

Small help. Bank of England Minimum Lending Rate 14 per cent (since June 12, 1979). Day to day credit was in short supply in the London money market yesterday, and the authorities gave assistance by buying a small amount of Treasury bills and a small number of corporation bills from the discount houses. Total help was small. The market was faced with a slight increase in the note circulation and a small net take up of Treasury bills to £200m. On the other hand there was a small surplus of Government disbursements over revenue transfers to the Exchequer. Discount houses paid up to 13 per cent for secured call loans, with a base of around 10 per cent. In the interbank market overnight loans opened at 10 1/2 per cent and eased to 10 1/4 per cent before coming back to 12 1/2 per cent. However, business was seen at 11 1/4 per cent. Later in the day rates fell to 10 1/4 per cent but late balances commanded 14 1/2 per cent. Interest rates were little changed overall despite yesterday's decision by National Westminster Bank to increase its base rate to 15 per cent from 14 per cent. Rates in the table below are nominal in some cases.

LONDON MONEY RATES

Table with columns: Nov. 13 1979, Sterling Certificate of deposit, Interbank, Local Authority deposits, Local Authority negotiable bonds, Finance House Deposits, Company Deposits, Discount market deposits, Treasury Bills, Eligible Bank Bills, Fine Trade Bills. It lists various London money market rates.

Pacific Gas and Electric Company Common Stock (\$10 Par Value) 9,000,000 Shares. Advertisement listing various financial institutions and their services.

Coutts & Co. announce that their Base Rate will be increased from 14% to 15% per annum on 14th November 1979 until further notice. The Deposit Rate on monies subject to seven days' notice of withdrawal will increase from 11 1/2% to 13% per annum.

RESIDENTIAL PROPERTY TO LET FURNISHED 55 PARK LANE W1. Furnished quality apartments in established block.

TO LET-SURREY. Victorian family house, with double living room, dining room, breakfast room, 5 bedrooms, 2 bathrooms (one en-suite).

COTE D'AZUR SAINT PAUL DE VENCE. Splendid large provincial villa, 60 sq. m. living-room, 4 large bedrooms, 4 bathrooms, sea and mountain panoramic view.

LITTLE VENICE. Beautiful garden flat on canal with pine covered walls, large terrace, two double beds, large kitchen, garage, etc.

ANTIQUE. WEST INDIES—Island of Bechees. For holiday beach cottages, villas, houses or mansions, contact BRINE VILLA VACATIONS.

ART GALLERIES. AGNEW GALLERY, 43, Old Bond St., W.1. 529-6176. TURNER LOAN EXHIBITION.

LEGAL NOTICES. No 003249 of 1978. IN THE HIGH COURT OF JUSTICE Chancery Division.

PERSONAL. SCOTCH SMOKED SALMON. 1 1/2 lb side £10.10, 2 lb side £12.40, 3 lb side £14.90.

ART GALLERIES. MALL GALLERY, 25, D'Arby St., W.1. 599-5058. Original Prints by 20th Century Masters and Young Artists.

ART GALLERIES. CITY AND GUILDS OF LONDON ART SCHOOL. 25, Abchurch Lane, London, E.C.4.

ART GALLERIES. LITTLE VENICE. Beautiful garden flat on canal with pine covered walls, large terrace, two double beds, large kitchen, garage, etc.

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WORLD STOCK MARKETS

Companies and Markets

NEW YORK

Table of stock prices for various companies in New York, including AMF, AM Int'l, ABA, Abbott Labs, Acme Chemicals, etc.

Stock

Table of stock prices for various companies, including Columbia Gas, Com. Int'l, Combustion Eng., etc.

Stock

Table of stock prices for various companies, including Mess Petroleum, M&M, Metromed, etc.

Down off 3.7 at mid-session

AFTER MODESTLY extending the recent good rally at the outset yesterday, Wall Street slipped back on profit-taking to make a mixed showing at mid-session following fairly active trading.

The Dow Jones Industrial Average up some 24 points over the past two business days, was 3.67 easier at 818.26 at 1 pm yesterday. The NYSE All

Closing prices and market reports were not available for this edition.

Common Index was 8 cents off at 858.77, although gains still lingered after a volatile session. Trading volume came to 22.58m shares, well above Monday's low 1 pm figure of 18.58m.

Although the market initially continued to react favourably to news on Monday that President Carter was ending U.S. imports of Iranian oil, analysts said investors may now be expressing concern about possible energy shortages.

Analysts also said investor enthusiasm may have been dampened by comments made by Federal Reserve Board chairman Paul Volcker, who stated that interest rates will not be reduced substantially until the U.S. inflation rate declines.

NYSE received 1.23 billion shares after an initial surge to \$50 and Exxon to \$58.13. Texas, however, put on a rally losing 11 to \$312.

THE AMERICAN SE Market Value Index managed to record a net gain of 0.63 at 213.72 at 1 pm after an initial slide to 214.24. Volume 2.68m shares (1.85m).

Oil stocks also dominated the Amex. Dome Petroleum rose 13 to \$391, active Ranger Oil to \$364 and Petro-Lewis to \$151.

Canada Shares were mixed to firm while Honda Motors stood out

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Indices

NEW YORK - DOW JONES

Table of indices including Industrial, Transport, Utilities, and various international indices like Australia, Austria, Belgium, etc.

MONDAY'S ACTIVE STOCKS

Table of active stocks including Gulf Oil, Shell, Mobil, and other major companies.

Germany

A technical recovery took place in moderate activity, with the Commerbank index recouping 5.2 to 710.2.

Brokers cited Wall Street's good overnight rally and apparent easing of tension over the situation in Iran following President Carter's stoppage of U.S. oil purchases from Iran as an improvement in sentiment.

Market interest centred on Electricals, Machinery issues and Steels. In Electricals, Siemens rose DM 1.90 to DM 261.50.

Reports by the company that it intends to pay an unchanged dividend had been widely expected and discounted, according to brokers.

Thyssen put on DM 2.00 in Steels, while among the Machinery Manufacturers, GHH were up DM 3.00.

BMW rose DM 3.50 and Volkswagen DM 2.00 in Motors. Bonds recorded declines extending to 60 pfennigs and the Bundesbank sold DM 2.8m nominal of paper in open-market operations after selling DM 3.5m the previous day. Mark-denominated foreign Loans continued to lose ground.

Hong Kong

Strong selective buying left the Hang Seng Index up 11.09 at 724.95 on renewed market speculation about possible new company links involving Hong Kong Land, HK Wharf, Cheung Kong and Green Island Cement.

HK Wharf rose HK\$2.25 to HK\$49.50 and HK Land 50 cents to HK\$12.50, while Jardine Matheson and Swire Pacific "A" put on 10 cents apiece to HK\$14 and HK\$28.00 respectively, but Green Island Cement retreated HK\$3 to HK\$39 and Cheung Kong was unchanged at HK\$19.

Construction Properties moved ahead 20 cents more to HK\$21 and Hong Kong Hotels put on 30 cents to HK\$37.50.

Australia

The Oils sector continued to feature strongly yesterday, still

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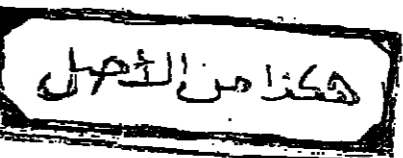
The Oils sector continued to feature strongly yesterday, still

The Oils sector continued to feature strongly yesterday, still

INDICES

Table of international indices including Australia, Austria, Belgium, Canada, Denmark, France, Germany, Hong Kong, Italy, Japan, Korea, Luxembourg, Netherlands, Norway, Singapore, South Africa, Sweden, Switzerland, Taiwan, Thailand, UK, USA, West Germany, etc.

Vertical advertisement on the right edge of the page, partially cut off, mentioning 'milk' and 'UK invest'.



Companies and Markets

COMMODITIES AND AGRICULTURE

NZ sells dried milk to Mexico

By Dai Hayward
WELLINGTON — New Zealand has sold 10,000 tonnes of skimmed milk and 1,000 tonnes of milk fat to Mexico...

World food shortage 'grim', says FAO head

ROME — The number of people suffering from malnutrition and hunger is increasing steadily, and no long-term relief is in sight...

UK butter stock shrinks

By Our Commodities Staff
STOCKS OF butter held off the market under Common Market intervention arrangements totalled more than 72,000 tonnes at the end of October...

YUGOSLAVIA Bumper crops bring boom in exports

By a CORRESPONDENT
YUGOSLAV FEARS that the mid-summer drought would saddle the country with the need to spend scarce hard currency...

Coffee market rise continues

BY OUR COMMODITIES STAFF
THE RECENT advance in world coffee futures prices continued yesterday, with the January position on the London market gaining another £15.50...

Potato average yield falls

By Our Commodities Staff
AVERAGE YIELDS of main-crop potatoes are about 2 tonnes a hectare lower than last year, according to the Ministry of Agriculture's latest estimates...

Firm prices in wool sales

By Our Commodities Staff
PRICES WERE firm at yesterday's Australian wool sales in Melbourne and Sydney...

Aluminium stocks lower

STOCKS OF primary aluminium held by members of the International Primary Aluminium Institute (IPAI) totalled 1,524,000 tonnes at the end of September 1979...

Fresh gain in cocoa

BY OUR COMMODITIES STAFF
SPECULATIVE buying pushed cocoa values higher on the London futures market yesterday. The March position ended the day at £1,470.5 a tonne...

BRITISH COMMODITY MARKETS

Table of British commodity markets including Base Metals (Copper, Tin, Lead, Zinc), Coffee, Cocoa, Rubber, Soyabean Meal, and Price Changes.

Table of US commodity markets including Wheat, Corn, Soyabean Meal, and other grains.

Table of European markets including various agricultural products and commodities.

Table of indices including Financial Times, Dow Jones, and Moody's.

Insurance Base Rates table showing property growth and vanburgh guaranteed rates.

U.S. commodity markets now open to U.K. investors.

Advertisement for C.C.S.T. Commodities Ltd. promoting U.S. commodity markets to U.K. investors.

ART GALLERIES

Advertisement for art galleries including Nicola J. Roberts and others.

CLUBS

Advertisement for clubs including GARGWYLE and others.

COFFEE

Advertisement for coffee products and services.

JUTE

Advertisement for jute products.

WHEAT

Advertisement for wheat products.

SILVER

Advertisement for silver products.

WHEAT

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LONDON STOCK EXCHANGE

Repeated inflation pledges bring emotional response and equity index regains 10.5 to 423.5-Gilts rally £1 1/4

Account Dealing Dates... Options... First Declara- Last Account Dealing Dates...

The Prime Minister's repeated determination to defeat inflation, with painful remedies if necessary, and to bring monetary growth back into the set targets led to an emotional response in stock markets yesterday.

Wall Street's overnight rise was also a helpful influence, as was the gilt-edged market's rally on Monday. Leading shares were thus marked up at the opening and immediately extended the upturn as a squeeze developed on short positions.

Bear-covering was also the main factor motivating an overdue recovery in Government stocks after eight depressing days. Overseas investment sources showed interest without committing any weight of funds, while the domestic institutions were largely content to await possible events.

encouraged by debt repayment hopes; 5 per cent 1979 rose 7 points to 446 and 41 per cent 1980 gained 5 points to 450. Southern Rhodesian stocks established rises extending to 3 points as in 24 per cent 1965-70 at £110.

Completed contracts in Traded options came to 557 yesterday compared with Monday's 414 and last week's 414. The BP was again the dominant issue, recording 187 trades.

C.U. pleases... Firm Composite Insurances were featured by a rise of 8 to 125p in Commercial Union in response to the better-than-expected third-quarter profits.

The announcement of NatWest's base lending rate increase to 15 1/2 per cent came as no surprise to the banking sector but it did help to dampen technical rally as the market awaited notice of similar rises from the other major clearers.

Building sector was mainly consoled by the leaders. Blue Circle rose 6 to 230p and Costain Group gained a similar amount to 188p, while Tarmac, 179p, and Taylor Woodrow, 341p, improved 3 pence. Elsewhere, Northwest Hoist responded fresh to news that Dunham Mount intends to bid for the minority interests in the company with a further rise of 16 to 116p.

A fairly swift advance in ICI, which touched 338p before settling at 334p for a rise of 9 on the day, was largely technical. Other Chemical issues to make headway included ICI, 334p, and Yorkshire, 2 up at 58p. Awaiting news of

diary came well after market hours. Racial staged a good recovery and closed 9 higher at 215p, while H. Wigfall also rallied 7, to 214p. Phillips Lamp gained 13 to 656p following the figures for the third quarter. Decca revived with a rise of 10 to 330p, while gains of 4 were marked against United Scientific, AB Electronics, 186p, and Ferranti, 362p. On the other hand, Chloride lost 2 to 77p awaiting today's half-yearly results.

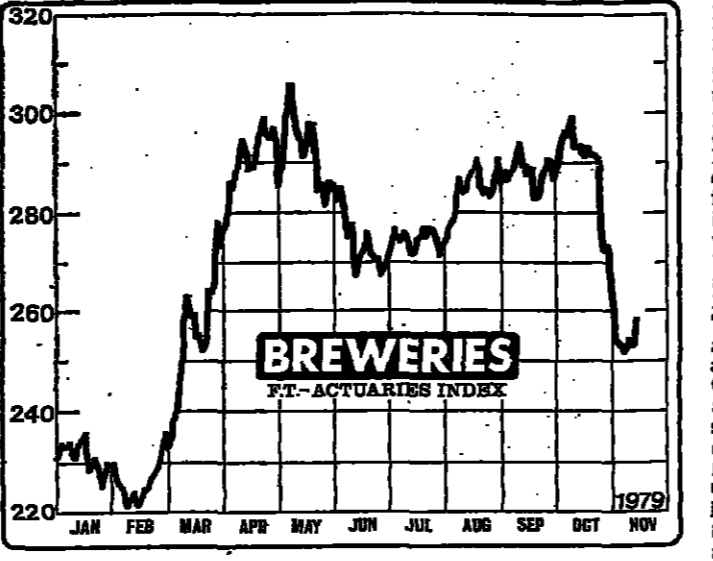
Hawker Siddeley, up 10 at 162p, led the rally in the Engineering issues. Howard and Tubes, 230p, rose 7 and 6 respectively, while John Brown Secondary issues were featured by Bernard Matthews, which at 260p, recovered Monday's fall of 11. George Bassett also returned to favour, gaining 4 to 88p, while Kwik-Save finished 4 better at 104p.

With the exception of Grand Metropolitan, 3 up at 180p, after 139p, and Trusthouse Forte, 4 up at 150p, Hotels closed with few alterations. A strong technical rally by the miscellaneous industrial leaders saw closing improvements range to 10. Glaxo ended that much better at 403p, while Rank Organisation gained 7 to 187p and Reed International, 8 up at 386p, and Colman, 186p, firmed 6 pence. Ahead of interim statements due today and tomorrow respectively, Unilever put on 6 to 484p and Boots hardened 3 to 157p. Elsewhere, De La Rue stood out with a jump of 30 to 100p, following the better-than-expected interim profits, while A. Arenson were notable for a rise of 13 to 126p in response to the increased annual earnings and proposed 100 per cent scrip-issue. Howard and Tubes, 230p, rose 7 and 6 respectively, while John Brown

Drilling in the North Sea. Norsk Hydro rose 2 to 594p. W. H. Smith disappoints... A few pence firmer immediately in front of the interim results, W. H. Smith "A" fell away following the disappointing 8-monthly profits to close 3 down on balance at a 1979 low of 132p.

Other Store leaders closed mixed with Gussies "A" up at 312p, and House of Fraser 2 higher at 128p, while Barton "A" declined 24p. Elsewhere, Wer at 46p, recorded a Press-inspired improvement of 1p and rises of around 3 were seen in MFI Furniture, 68p, Exelsior, 166p, and Status Discount, 62p.

Shoes displayed no trend. Strong and Fisher hardened 2 to 80p and George Oliver "A" dipped 5 to 98p. GEC rose to 324p before settling a shade below the day's best at 309p for a rise of 7. Elsewhere in the Electrical leaders, There became a better market and rose 4 to 324p with EMI up at 139p in sympathy. Plessey gained 4 to 113p; the announcement of the £1m sale of a



regained 3 to 62p. Secondary issues followed in the wake of the leaders. B. Elliott, a particularly poor market of late, rallied 8 to 194p. British Aluminium regained 7 to 182p and rises of around 6 were recorded in Matthew Hall, 185p, Martonair, 166p, and Babcock, 111p. Spencer Gears rose a penny to 35p following the annual statement, while GEI gained 5 to 66p in response to the half-yearly results. Against the trend, Avery's, already 7 lower at 245p, held at that level following the dividend and profits forecast contained in the company's circular rejecting the cash bid of 365p from GEC.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

Table with columns: EQUITY GROUPS & SUB-SECTIONS, Tues. Nov. 13, 1979, and various indices. Includes sub-sections like CAPITAL GOODS, CONSUMER GOODS, FINANCIAL GROUP, and FIXED INTEREST YIELDS.

ACTIVE STOCKS

Table of active stocks with columns: Stock, Denomination, Closing price, Change on day, 1979 high, 1979 low. Lists stocks like BP, ICI, Commercial Union, etc.

OPTIONS

DEALING DATES... Premier Oil, EMI, Charter Cons., National Carbonizing, E. Fogarty, Town and City, W. I. P. Franchise, Sound Diffusion, Moran, Sound Diffusion, Sirdar, Warrand, LMS, GUS A. Burton, Warrants, Mitchell Cotts and Allied Colloids. Puts were done in GEC and ICI, while doubles were arranged in Town and City, FNFC and Comfort Hotels.

RECENT ISSUES

EQUITIES

FIXED INTEREST STOCKS

"RIGHTS" OFFERS

Renunciation date usually last day for dealing free of stamp duty. Based on prospectus estimate. * Assumed dividend. ** Dividend and yield based on prospectus or previous year's earnings. F. Dividend and yield based on cover allows for conversion of shares not now being dividend or interest only for restricted dividends. * Placing price to public. ** Placing price unless otherwise stated. * Issued by tender. ** Offered to holders of ordinary shares as a connection with reorganisation, merger or takeover. ** Introduction. ** Issued in connection with reorganisation. ** Allotment letters (or fully-paid). ** Provisional or partly-paid allotment letters. * With warrants. ** Unlisted securities. ** Includes comprising 2 income shares and 10 Capital shares at 125p per unit. * Dealings under special rules.

FINANCIAL TIMES STOCK INDICES

Table of stock indices for Nov. 13, 1979, comparing various indices like Government Secs., Fixed Interest, Industrial, Gold Mines, etc., with their values and changes.

HIGHS AND LOWS

Table showing high and low prices for various stock categories like Govt. Secs., Fixed Int., Ind. Ord., Gold Mines.

S.E. ACTIVITY

Table showing S.E. activity with columns for Daily Gilt Edged, Industrial, and Total, along with their values and changes.

NEW HIGHS AND LOWS FOR 1979

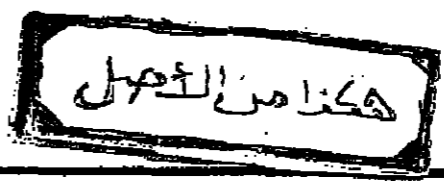
Table listing new highs and lows for 1979 across various sectors like LOANS, CHEMICALS, BUILDINGS, etc.

RISES AND FALLS YESTERDAY

Table showing rises and falls in various markets like British Funds, Foreign Bonds, etc.

UNIT TRUST SERVICE

Table of unit trust services including Royal Trust, Sars & Phipps International, and various other funds with their details and prices.



FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Table listing various unit trusts such as Abbey Unit Tr. Mgrs., Allco Harvey & Ross Unit Tr. Mgrs., Allied Hazards Group, and others, with columns for fund names and performance metrics.

Table listing discretionary unit fund managers including Mayflower Management Co. Ltd., Mercury Fund Managers Ltd., and others, with columns for fund names and performance metrics.

Table listing insurance and property bonds including Abbey Life Assurance Co. Ltd., Commercial Union Group, and others, with columns for company names and policy details.

Table listing various international and domestic unit trusts such as Capital International S.A., Charterhouse Juniper, and others, with columns for fund names and performance metrics.

Table listing offshore and overseas funds including N.V. Interbanc, International Pacific Inv. Mgmt. Ltd., and others, with columns for fund names and performance metrics.

INSURANCE PROPERTY BONDS

OFFSHORE & OVERSEAS FUNDS

NOTES: Prices are in pence unless otherwise indicated. Yields % shown in last column allow for all buying expenses...

Continued on previous page

INDUSTRIALS—Continued

Table of industrial stocks including companies like British Petroleum, Shell, and ICI, with columns for stock price, price change, and volume.

INSURANCE—Continued

Table of insurance stocks including companies like Royal Indemnity, Commercial Union Assurance, and Sun Life.

PROPERTY—Continued

Table of property stocks including companies like Green (R) 10c, British Land, and Wimpey.

INVESTMENT TRUSTS—Cont.

Table of investment trusts including companies like British Investment Trust, Anglo-Scottish Investment Trust, and others.

FINANCE, LAND—Continued

Table of finance and land stocks including companies like London Stock Exchange, Anglo-Scottish Investment Trust, and others.

DAIWA SECURITIES logo and header for the International Financier section.

MINES—Continued

Table of mining stocks including companies like Anglo-American, Anglo-Platinum, and Anglo-Asian.

AUSTRALIAN

Table of Australian stocks including companies like BHP, Rio Tinto, and others.

COPPER

Table of copper stocks including companies like Anglo-Copper, Anglo-Platinum, and others.

MISCELLANEOUS

Table of miscellaneous stocks including companies like Anglo-Scottish Investment Trust, Anglo-Asian, and others.

NOTES

Notes section providing information about stock listings, including details on dividends, interest, and other financial data.

RECENT ISSUES AND RIGHTS

Table listing recent issues and rights for various stocks, including company names and issue details.

LEISURE

Table of leisure stocks including companies like Anglo-Scottish Investment Trust, Anglo-Asian, and others.

MOTORS, AIRCRAFT TRADES

Table of motor and aircraft trade stocks including companies like British Leyland, Rover, and others.

COMMERCIAL VEHICLES

Table of commercial vehicle stocks including companies like Leyland, Rover, and others.

COMPONENTS

Table of component stocks including companies like British Leyland, Rover, and others.

GARAGES AND DISTRIBUTORS

Table of garage and distributor stocks including companies like British Leyland, Rover, and others.

NEWSPAPERS, PUBLISHERS

Table of newspaper and publisher stocks including companies like News International, Newsprint, and others.

PAPER, PRINTING

Table of paper and printing stocks including companies like Newsprint, News International, and others.

ADVERTISING

Table of advertising stocks including companies like Newsprint, News International, and others.

SHIPPING

Table of shipping stocks including companies like British Shipbuilders, Harland & Wolff, and others.

SHOES AND LEATHER

Table of shoe and leather stocks including companies like British Shoe Manufacturers, and others.

SOUTH AFRICANS

Table of South African stocks including companies like Anglo-Platinum, Anglo-Asian, and others.

TEXTILES

Table of textile stocks including companies like British Textiles, and others.

TOBACCO

Table of tobacco stocks including companies like British American Tobacco, and others.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land stocks including companies like British Investment Trust, Anglo-Scottish Investment Trust, and others.

PROPERTY

Table of property stocks including companies like British Land, Wimpey, and others.

INSURANCE

Table of insurance stocks including companies like Royal Indemnity, Commercial Union Assurance, and others.

OILS

Table of oil stocks including companies like Anglo-Scottish Investment Trust, Anglo-Asian, and others.

OVERSEAS TRADERS

Table of overseas trader stocks including companies like Anglo-Scottish Investment Trust, Anglo-Asian, and others.

RUBBERS AND SISALS

Table of rubber and sisal stocks including companies like Anglo-Platinum, Anglo-Asian, and others.

TEAS

Table of tea stocks including companies like Anglo-Platinum, Anglo-Asian, and others.

INDIA AND BANGLADESH

Table of India and Bangladesh stocks including companies like Anglo-Platinum, Anglo-Asian, and others.

SRI LANKA

Table of Sri Lanka stocks including companies like Anglo-Platinum, Anglo-Asian, and others.

AFRICA

Table of African stocks including companies like Anglo-Platinum, Anglo-Asian, and others.

CENTRAL RAND

Table of Central Rand stocks including companies like Anglo-Platinum, Anglo-Asian, and others.

EASTERN RAND

Table of Eastern Rand stocks including companies like Anglo-Platinum, Anglo-Asian, and others.

FAR WEST RAND

Table of Far West Rand stocks including companies like Anglo-Platinum, Anglo-Asian, and others.

O.F.S.

Table of O.F.S. stocks including companies like Anglo-Platinum, Anglo-Asian, and others.

FINANCE

Table of finance stocks including companies like Anglo-Scottish Investment Trust, Anglo-Asian, and others.

DIAMOND AND PLATINUM

Table of diamond and platinum stocks including companies like Anglo-Platinum, Anglo-Asian, and others.

OPTIONS

Table of options including companies like Anglo-Scottish Investment Trust, Anglo-Asian, and others.

3-month Call Rates

Table of 3-month call rates including companies like Anglo-Scottish Investment Trust, Anglo-Asian, and others.

Notes and additional information regarding the options and call rates section.

PROPERTY MANAGEMENT Bernard Thorpe LONDON, SW1 TEL: 01-834 6890

Capricorn... An offer from a certain New Town could make you Giddy this month... Stelmersdale

U.S. economy faces '1 1/4% decline in GNP'

BY ROBERT MAUTHNER IN PARIS

THE U.S. faces a 1.25 per cent decline in Gross National Product next year, but this will be accompanied by a slight slowdown in inflation and, for the first time for many years, a current account surplus.

EEC lamb price deal nears

BY MARGARET VAN HATTEM IN BRUSSELS

THE EEC appears to be moving towards a price support system for lamb similar to the old British system of deficiency payments. Although the EEC Commission would almost certainly reject the term "deficiency payments," a scheme it has always opposed, the system of payments it envisages for sheep farmers appears in principle to be the same.

Iran split points to softer line on siege of embassy

BY OUR FOREIGN STAFF

IRAN YESTERDAY appeared to soften its demands for the extradition of the deposed Shah from the U.S. for the first time since the start of the ten-day siege of the American embassy in Tehran.

Up until now, the EEC has always preferred to support prices by buying surplus produce for storage at a predetermined floor—or intervention—price.

Averys fights off bid

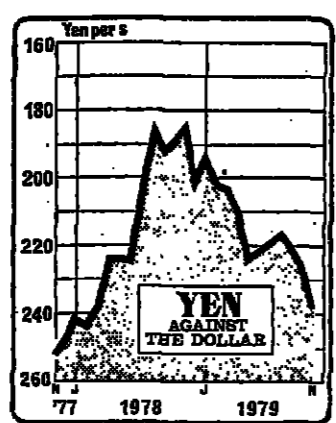
BY ANDREW FISHER

EVERYS, the weighing machine company which is fighting off a £88m bid from the General Electric Company, is promising its shareholders a dividend increase of nearly 70 per cent to try to retain their support.

Yen at two-year low against \$

BY RICHARD C. HANSON IN TOKYO

THE YEN fell sharply to a two-year low against the U.S. dollar in Tokyo yesterday. It went down to ¥249.50 to the dollar on news that Iran's oil shipments to the U.S. would be stopped, though official intervention later reversed the decline.



The Bank of Japan sold an estimated \$500m to push the yen

back up to a Tokyo close of ¥246.70 per dollar. The yen later closed in Europe at ¥246.50.

Natwest

proved to be an essential part of reducing monetary growth. Sir Geoffrey said there was still too much money in the economy and it was taking time to "get that excessive money out of the system."

Rhodesia

represented on a ceasefire commission, but he added: "The forces on both sides would be equally responsible to the governor for the observance of the ceasefire, and would come under his authority."

No extra mortgage rate rise expected

BY ANDREW TAYLOR

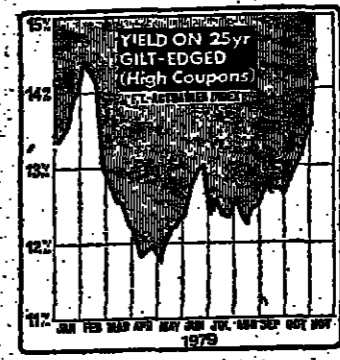
MOVES to increase the mortgage rate above the record 12 1/2 per cent due to become effective in January are unlikely in the near future—despite expected Minimum Lending Rate increase.

There was no immediate explanation for NatWest's decision to lead the way. Mr. Jeffrey Benson, the group chief executive, said that the rise "came about as a direct result of the substantial and persistent increases in market rates over the last week."

Question of price at Averys

THE LEX COLUMN

Index rose 10.5 to 423.5



Is GEC, as Averys suggests in its second major defence document, taking advantage of the current general depressed level of the market? In a sense the answer is yes, but the 265p A is offering its substantially higher than the Averys share price has ever reached before.

trading, though net debt appears to have shot up from £135.8m on that date to £190.2m on October 31. No doubt this was partly for seasonal reasons, but it is possible to guess why the EMI board has been willing to give its blessings to the merger.

Commercial Union Third quarter figures from the U.S. insurance industry have not been inspiring, but Commercial Union—the first of the big UK companies to report—has come up with encouraging results.

Thorn/EMI Scceptical City observers of the Thorn/EMI merger plans will not be wholly reassured by the documents now sent out to both sets of shareholders.

Smiths Industries The divisional split of profits at Smiths Industries tells a familiar story. The aerospace business and the specialist operations such as medical supplies have put in strong per-

formance—from very low and very high 1977-78 bases, respectively—while the divisions supplying the vehicle and marine industries remain depressed.

In 1969 two men walked the surface of the moon alone. It took thousands more to get them there.



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